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Kidnappers Release 3 Soviet Hostages Held in Lebanon

The Associated Press
BEIRUT — Three Soviet Embassy personnel kidnapped a month ago have been released, an embassy spokesman said Wednesday.

"They're all free and in relatively good condition," said the spokesman, who declined to be identified. The embassy spokesman declined to give any details of the release Tuesday of the three captives who had been threatened with death since they were kidnapped Sept. 30.

The three are Oleg Spirin, a press attaché; Valery Mirnikov, a commercial attaché; and Nikolai Svirsky, the embassy doctor.

They were seized by gunmen in West Beirut, the first East-bloc nationals abducted in the Lebanese capital since Islamic extremists began kidnapping foreigners in January 1984.

A fourth man abducted the same day, Arkadi Karkov, 32, a consular attaché, was killed by the kidnappers. His body was found two days after the abduction on a garbage dump outside the Cité Sportive stadium in south Beirut.

It was not immediately clear whether intervention by Syria, the main power broker in Lebanon, was instrumental in securing the release of the kidnapped Russians.

The kidnappers were claimed by a previously unknown group, the Islamic Liberation Organization, believed to be made up of Sunni Muslim fundamentalists.

Telephone callers claiming to represent the group initially demanded that Moscow pressure Syria to call off an offensive by leftist militias against Muslim fundamentalists in the northern Lebanese port of Tripoli.

The offensive was called off the day after Mr. Karkov was slain.

But the hostages were not freed. Callers claiming to represent the Islamic Liberation Organization called radio stations, demanding that Moscow close its Beirut embassy and withdraw its troops from Lebanon, and that the United States end its support of Israel.

The Soviet Union evacuated about two-thirds of its 150 citizens in Beirut on Oct. 4 amid threats that its embassy would be blown up. But no attacks were ever launched.

The kidnapping of the Soviets was a major embarrassment to Syria at a time it was sponsoring peace talks between Lebanon's three main Christian and Muslim militias to end the decade-old civil war.

Gemayel Sends Embassy
President Amin Gemayel of Lebanon sent former Foreign Minister Elie Salem to Damascus on Wednesday where he had talks



Casper W. Weinberger, left, and Michael Heseltine flank Lord Carrington, the NATO secretary-general.

Arafat Pledges Good Conduct, Aide Says

By John Kifner

New York Times Service

AMMAN, Jordan — The Palestine Liberation Organization has given a good conduct pledge to King Hussein to avoid such embarrassing incidents as the Achille Lauro hijacking, Palestinian and Jordanian sources said Wednesday.

"We agreed we shouldn't carry out any act which could hurt the Feb. 11 agreement," said Hani al-Hassan, a top political aide of Yasser Arafat, the PLO chairman, after two days of crucial meetings here. Mr. Hassan was referring to the accord between Jordan and the PLO designed to lead to a Middle East peace settlement.

The promise — somewhat tenuous, given the volatile nature of the Middle East and the rather amorphous character of the Palestinian movement — appears to be the concrete achievement of the volatile confrontation between Mr. Arafat and the Jordanian monarch.

The Jordanian-PLO alliance thus appeared to have survived King Hussein's irritation at the Achille Lauro hijacking and the breakdown of a London meeting between Palestinian representatives and the British foreign secretary, Sir Geoffrey Howe, which precipitated what had been seen as a showdown meeting here.

The bottom line, both Arab sources and Western diplomats said, was that neither side at this point was able to risk scuttling the alliance. Thus the uneasy relationship would continue.

The results also appeared to rule out any acceptance by King Hussein of the offer of separate peace talks made by the Israeli prime minister, Shimon Peres. The Israelis have mounted a strong campaign in recent weeks to isolate the PLO from any negotiations.

There was scant mention in the meetings, according to both Palestinian and Jordanian sources, of any attempt by the king to bring commitments from Mr. Arafat to such American conditions as recognition of Israel or renunciation of violence. Palestinian and Jordanian sources said.

Instead, these sources said, much of the discussion focused on the need to tighten up responsibility in Mr. Arafat's unwieldy apparatus.

The result was a relief for Mr. Arafat and his aides, who had arrived here prepared for a major confrontation and fearful they would be thrown out of their bases in Jordan and, indeed, out of the peace efforts that have given them a measure of respectability.

"This is a success for the PLO," Ahmed Abdul Rahman, the PLO spokesman, said.

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Yasser Arafat

Experts See World Push for Curbs on Currency Rates

By Peter T. Kilborn

New York Times Service

WASHINGTON — Worldwide concern about the volatility of the dollar and the impact of the dollar's level on the livelihood of all countries has started a multinational effort to reimpose direct government control over currency rates, according to international economists.

The catalyst for change could well be a monetary conference in Washington next month to be attended by many of the world's top economic policy-makers and leading international economists.

From that meeting will come a report for the seven-nation economic summit conference to be held late next spring in Tokyo. That, in turn, could lead to the first international conference on currency rates since the one held in Bretton Woods, New Hampshire, in 1944.

Governments, and in particular the U.S. government, now see political opportunity in regulating exchange rates.

The Reagan administration, once an intractable foe of government intervention in currency markets, has come to recognize the value of at least occasional intervention to deal with the effects of its \$300-billion federal budget deficits and such other pressing economic issues as protectionist attitudes in Congress and the developing world's debts to Western banks.

Other industrial nations have been disenchanted for several years with the current system, in which currencies are left to vie for themselves in an often volatile marketplace. The change in American attitudes is encouraging these nations to step up their efforts for change.

The prospect of revising the currency system has captivated some congressmen as well. Two men who are often mentioned as possible presidential candidates, Representative Jack Kemp, Republican of New York, and Senator Bill Bradley, Democrat of New Jersey, have joined in sponsoring next month's monetary conference.

"We hope to focus attention on the problem of exchange rates," Mr. Bradley said. "The present system isn't working as it was supposed to work, or we wouldn't have \$120-billion trade deficits."

Some economists and political leaders in the United States and abroad back a return to the system of tight supervision of currency-exchange rates that was established 41 years ago at the conference in Bretton Woods.

That system, in which the dollar's value was pegged to gold and then the other currencies were tied to the dollar, crumbled with rising world inflation at the start of the 1970s. Most of those now advocating change want a less rigid system, but a system, nevertheless, to curb the volatility of an unregulated marketplace.

A senior Reagan administration official, who declined to be named, said, "My personal opinion is that we have to reform the system."

"I personally believe in stable, fixed exchange rates and possibly a gold-backed role for the dollar," Mr. Kemp said.

Governments are vitally concerned with the values of their currencies because they affect virtually every facet of an economy — the prices of imports and exports, the investments that countries make outside their borders, their inflation and employment.

In the case of the United States, the relatively expensive dollar has been an important factor in the loss of jobs to foreign competition, to the recession in agriculture and to the boom in American travel abroad. At the same time, the high prices that debtor nations have to pay for dollars to make payments on their loans to American banks is responsible in part for their difficulties in making those payments.

During the Bretton Woods era of "fixed" exchange rates, countries complained that the rates often undermined their economies.

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U.S. Researchers Question Claim By French Team on AIDS Treatment

The Associated Press

BETHESDA, Maryland — Leading American researchers have reacted with surprise and skepticism to the announcement by a French medical team that it had successfully prevented the progression of the AIDS virus with a drug commonly used to prevent the rejection of transplanted organs.

A researcher in acquired immune deficiency syndrome at the National Institutes of Health in Bethesda, Dr. Anthony S. Fauci, questioned Tuesday how the French researchers could have announced the results after only a week of testing.

Dr. Samuel Broder, of the National Cancer Institute, said Wednesday that no AIDS patient should think he was being deprived of a curative therapy because the

drug was not available for treatment.

The French researchers said Tuesday in Paris that cyclosporine-A, a drug used to prevent rejection of transplanted organs, could halt the growth of the AIDS virus and allow the body's damaged immune system to rebuild itself.

The researchers said their treatment was not a cure for AIDS, which has been fatal in most cases. American cities and states are attempting to battle AIDS with legal remedies. Page 3.

but could help maintain AIDS victims until a drug is found to eliminate the virus.

The doctors, Philippe Even, Jean-Marie Andrien, and Alain Venet, said they had witnessed what they called spectacular improvement in two patients who had been given cyclosporine-A for five days. One of the patients was close to death, they said.

They said that in both cases there was a marked resurgence of the immune system as measured in heightened levels of the critical T-4 lymphocyte cells that are destroyed by the AIDS virus.

Four other patients are under treatment with cyclosporine-A at the Laennec Hospital in Paris, but the researchers said it was too early to give results in their cases.

Dr. Broder said, "I think on the basis of the evidence presented thus far in scientific journals, no patient need feel that he is being deprived of a curative therapy by not having access to cyclosporine at the present time."

Dr. Fauci was even sharper in his reaction: "There is not a scientist I know who would give something for one week to six patients and make an announcement in the press. If you want to talk about cures, you want to make sure something works before you announce it."

The U.S. surgeon general, Dr. C.

Everett Koop, said on NBC's "Today" show Wednesday that "there doesn't seem much new to me."

The French research team acknowledged it was highly unusual to announce results before months of confirming research.

Drug Maker Comments
In Basel, Switzerland, an immunology specialist at Sandoz Laboratories, which manufactures cyclosporine-A, said the company had not collaborated with the physicians and did not know their findings publicly. Reuters reported.

Jörg Schoedelin, who is responsible for immunology research at the company, said, "There is a danger of giving too many hopes," he said. "Everyone suffering from the disease will expect a cure."

INSIDE

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The U.S. space shuttle Challenger was launched to carry out research sponsored by West Germany. Page 3.

A Soviet seaman decided to return to his ship in the Mississippi River. Page 3.

South Korea's prime minister said that almost a year of talks with North Korea have been discouraging. Page 5.

BUSINESS/FINANCE

European Community industry ministers voted to end EC steel industry subsidies. Page 9.

SCIENCE

Comet-watching was only part of Edmund Halley's scientific activity. Page 7.

U.S. Navy Chief Assails Plea Bargain For Spy as 'Wrong Message to Nation'

By Ruth Marcus

Washington Post Service

WASHINGTON — Navy Secretary John F. Lehman Jr. has assailed the government's plea agreement with a retired navy communications expert, John Anthony Walker Jr., for sending "the wrong message to the nation and to the fleet."

Mr. Lehman said John Walker's promise to divulge details about his espionage activities was not worth the price.

The secretary said Tuesday he had objected to the arrangement under which Mr. Walker pleaded guilty to espionage and conspiracy Monday to gain lenient treatment for his son, Seaman Michael Lance Walker, who also pleaded guilty.

John Walker will be sentenced to life in prison while Michael Walker will receive a 25-year sentence.

Under the agreement, Michael Walker will be eligible for parole after serving one-third of his sentence, or eight years and four months. John Walker, 47, will become eligible for parole after serving 10 years.

Assistant U.S. Attorney Michael Schatzow, who prosecuted the father and son, reacted angrily to Mr. Lehman's comments. "If the secretary of the navy actually said that, you have to wonder why it is that people who are superior to him authorized this agreement if he is right."

"I think it is worth it, and the people I have spoken to who have



John F. Lehman Jr.

Technique Cuts Coronary Deaths

Reuters

BOSTON — Dutch researchers, in a report published Wednesday, said they had discovered a technique that was said to dramatically reduce the number of deaths among heart attack victims.

The technique, reported in the New England Journal of Medicine, calls for immediate injection by bystanders or paramedics of the drug lidocaine into the shoulder muscles of suspected victims of heart attacks. The researchers said this cuts the likelihood of irregular heartbeat, a contributory cause of death, six times.

Dr. Bernard Lown of the Harvard University School of Public Health said the recommendation, if carried out, "will save many of those who would otherwise die."

After a Year of Rajiv, Indira Is 'Almost Forgotten'

By Steven R. Weisman

New York Times Service

NEW DELHI — The assassination of Prime Minister Indira Gandhi a year ago Thursday — Oct. 31, 1984 — stunned India and raised the question of what life would be like without the woman who dominated national politics for nearly two decades.

The answer, to the surprise of many critics and supporters of the Gandhi family, is that Rajiv Gandhi, her son and successor as prime minister, has put such a strong personal stamp on the government that the memory of Mrs. Gandhi has receded.

In the economic area, Rajiv Gandhi has sharply increased the role of private enterprise and cut back on government regulations, moving the nation away from the socialist philosophy that had guided it since independence.

In foreign policy, the change has been less dramatic. While he has shifted India's orientation more toward the West, he has maintained close ties with the Soviet Union. A breakthrough came this year when the United States allowed India for the first time to

obtain high technology equipment for possible military use.

India's often uneasy relations with its neighbors have improved, although tensions with Pakistan remain. But in Sri Lanka, where leaders once accused Indira Gandhi of fomenting civil war, India has become a trusted mediator to end the fighting.

Perhaps most striking, Mr. Gandhi, 41, has shown a new style of cooperation with the people his mother had opposed or tried to remove from power. The new attitude has led to peace accords in the troubled states of Punjab and Assam, and an atmosphere of political harmony generally.

Think of the change we have seen," said Karan Singh, a former cabinet minister and ally of Indira Gandhi. "A year ago Punjab was in flames, and there was a general feeling we were caught in a net of conflicts. Rajiv has restored hope and faith in the political process."

But Mr. Gandhi and his team of young managers have many critics. Even many supporters agree they have made minimal progress in reducing government corruption and

inefficiency, alleviating poverty and malnutrition, improving the schools and curbing population growth.

The critics also say that Mr. Gandhi has centralized too much power in his office and displayed a casual attitude toward preserving civil liberties.

For example, he has allowed some political opponents to be deported or arrested, and thousands of Sikhs have been seized as suspected troublemakers and held in preventive detention.

Opposition leaders charge that Mr. Gandhi's program of tax breaks and fewer government regulations benefits the upper-class society in which he moves. They say he has yet to show he can manage the vast government machinery or use his high position to advocate the people.

"The country has almost forgotten Indira Gandhi, and there's a kind of relief that her style of politics is no more," said Ramesh Thapar, a political scientist and severe critic of the late prime minister.

But Mr. Thapar asserted that Indira Gandhi, in her first years in office after 1966,

"was exactly like this — open, receptive, a breath of fresh air." He added that "many of us worry that this chap is subject to pressure, that he can go either way."

Mr. Gandhi's rise is a remarkable chapter in modern Indian history because of the low expectations that many people had for him.

Although he grew up in an intensely political environment, Mr. Gandhi was never known for his political acumen or inclinations. Jawaharlal Nehru, Mr. Gandhi's grandfather and India's first prime minister, had relied on his daughter, Indira, for political advice.

When Indira Gandhi looked to the next generation for similar help, it was not to Rajiv, but to her younger son, Sanjay, who was regarded as the heir to the family's political instincts.

All but proclaimed an amateur, Rajiv Gandhi stayed on the sidelines and became a commercial airline pilot. It was only after Sanjay Gandhi died while stunt-flying a small airplane in 1980 that Mrs. Gandhi

Mr. Craxi said that once the leadership of the various coalition parties approved the decision to resume the government, he would see President Francesco Cossiga and withdraw his resignation submitted Oct. 17.

That would open the door for Mr. Craxi to simply announce a continuation as prime minister before a vote of confidence in Parliament next week after a debate on the Achille Lauro issue.

The formula of returning to Parliament was urged on Mr. Craxi by Mr. Cossiga over the weekend as a means of speeding up the formation of a new government so it could get on with the pending financial legislation. Not to have done so would have risked having the government crisis bog down an interminable intraparty haggling over new policies and new Cabinet portfolio allocations.

Mr. Craxi's decision to allow a Palestinian leader, Mohammed Abbas, to leave Italy despite U.S. demands that he be arrested and held for extradition as the mastermind of the Achille Lauro hijacking led to his government's collapse. Defense Minister Giovanni Spadolini, the pro-American leader of the Republican Party, decided to pull his party's three ministers out of the coalition to protest Mr. Abbas' release.

Mr. Spadolini apparently was persuaded to rejoin the government Wednesday when Mr. Craxi agreed to Republican demands for more consultation within the governing coalition in the future and restated Italy's commitment to oppose international terrorism and stand by its Atlantic alliance partners, especially the United States.

Although Mr. Spadolini said there were no "victors and no losers," Italian political commentators said the Republican-created government crisis had left the party dangerously isolated, threatened new parliamentary elections, and endangered pending financial and government reforms dear to the party. They said Mr. Spadolini had no choice but to rejoin the coalition after proper face-saving accords were approved.

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U.K. Probing Charges Of Coercion in Spy Case

LONDON — The British government announced Tuesday it was conducting an independent inquiry into allegations that eight young men were bullied by military investigators into making false confessions that they had passed secrets to the Soviet Union.

Their trial ended Monday with a jury rejecting the prosecution's argument that the men, based at Britain's communications listening post in Cyprus, had engaged in homosexual orgies and had been blackmailed into passing sensitive information to Soviet agents for nearly two years until February 1984.

One of the eight airmen acquitted, Christopher Payne, said he had made a false confession because of the psychological pressure of questioning sessions of up to 10 hours.

"After six weeks of being interrogated by those thugs and being in a cell," he said, "I was in no condition to trust anyone."

John Stanley, minister of state for the armed forces, told the House of Commons that a senior

attorney, David Calcutt, would conduct an inquiry "into whether the investigation carried out by the Royal Air Force provost marshal branch and the army's special investigation branch was done 'in accordance with law and proper procedures'."

Mr. Stanley said Mr. Calcutt was to report "with all practical speed" because "while these allegations remain on the table it is very damaging for the service police."

Prime Minister Margaret Thatcher also told the Commons that she had referred the case to the Security Commission, a watchdog body which advises the government on spy matters. She said she would "now consult the chairman of the Security Commission and report to the house in due course."

Denzil Davies, the opposition Labour Party spokesman on defense, said in the Commons debate that the case against the airmen was "full of holes" and had been "based on concessions extracted at best by dubious means and at worst by barbaric means."

The prosecution's case against the airmen was based solely on confessions which they later repudiated, news reports said. Most of the 119-day trial, Britain's longest and most costly concerning state secrets, was conducted in private for security reasons.

Mr. Stanley said Defense Secretary Michael Heseltine had ordered the original investigation into units on Cyprus because of "reported breaches of security" there.

Ransom Is Paid; Kidnappers Free Italian Aristocrat

United Press International

ROME — An Italian aristocrat held by kidnapers for four months was reunited with her family Wednesday, two weeks after relatives paid a ransom.

Acting on an anonymous telephone tip, police found Marchesa Isabella Guglielmi Graziosi della Rovere, 37, on Tuesday night beside a highway on the outskirts of Siena, 44 miles (71 kilometers) south of Florence. Her hands and feet were bound.

The police took her to her country estate in Montalto Di Castro, 78 miles northwest of Rome, and reunited with her family.

Hooded men armed with submachine guns and pistols abducted the marchesa June 27 as she drove home from a horse race. Her family left a ransom of about 2 billion lire (\$1.13 million) at a prearranged location in the town of San Venerio two weeks ago, police sources said.



Isabella Guglielmi

Soviet Official Believes Sakharov's Wife Will Be Allowed to Leave

The Associated Press

BONN — The Soviet ambassador to West Germany said Wednesday that he believed the wife of Andrei D. Sakharov, the Soviet dissident, has official permission to travel to the West for medical care.

Ambassador Vladimir Semenov's comments were the first public remarks made by any Soviet official about reports this week that Yelena G. Bonner will be allowed to leave the Soviet Union for treatment of an eye ailment.

Mr. Semenov said he thought Mrs. Bonner, 60, would be allowed to leave the Soviet Union.

"I have read that she intends to do it, but I don't know when she plans to go or where," Mr. Semenov said. Asked if she has official permission to leave, he replied, "I believe so."

Mrs. Bonner's son, Alexei Semenov, said Wednesday in a telephone interview from his home in Newtown, Massachusetts: "It

seems like especially now it's true, especially after this comment by the ambassador."

He said Mrs. Bonner's relatives in Massachusetts have heard nothing from either Mrs. Bonner or any Soviet officials, but the family had tried to place a call to Gorki, 250 miles (400 kilometers) east of Moscow, where the couple live in exile.

"For the last two years all the calls have not gone through, maybe today this one will go through," he said.

On Monday, the West German newspaper Bild said Mrs. Bonner had received permission to travel to the West, and a day later Victor Louis, a usually well-informed Soviet journalist, appeared to confirm Bild's report, and said the United States was a likely destination.

Bild said Mrs. Bonner would be allowed to spend two or three months in the West, and then return to join her husband.

Analysts have linked such a move by the Soviet Union to maneuvering before next month's U.S.-Soviet summit meeting between President Ronald Reagan and Mikhail S. Gorbachev.

Ambassador Semenov spoke after a news conference with officials of the West German Communist Party in Bonn.

When asked if Mr. Sakharov, the Soviet Union's most prominent human rights advocate, would also be allowed to leave, Mr. Semenov replied: "That is another question that I cannot answer."

Mrs. Bonner is believed to suffer from glaucoma, an eye ailment that threatens her vision.

■ **Israelis Reported in Moscow**

Western diplomats said Wednesday that two Israelis visited Moscow recently, raising the possibility that a major increase in the number of Soviet Jews allowed to emigrate might be imminent, United Press International reported from Moscow.

One of the Israeli visitors reportedly was representing the country's national airline, El Al. The other was reported to be a specialist in property claims.

In Jerusalem, El Al denied that any of its representatives had visited Moscow. Spokesmen at the prime minister's office and Foreign Ministry said they "know nothing about it."

A Western diplomat in Moscow said, "The rumors are growing in the press about a move by the Kremlin could not be ruled out."

■ **U.S. Army Accepts Marcher**

DETROIT — Allen Pepte, 18, who marched 535 miles (867 kilometers) from his home near Detroit to Washington to prove he was fit for the army, has been sworn into the service.

Reagan to Give An Interview To Soviet Press

The Associated Press

WASHINGTON — President Ronald Reagan will be interviewed by four Soviet journalists in the Oval Office on Thursday in what the White House said it hoped was "a sign of a new and more open information policy on the part of the Soviet Union."

The last American president interviewed by Soviet journalists was John F. Kennedy on Nov. 21, 1961, in Hyannisport, Massachusetts.

The White House also announced that Mr. Reagan will address a joint session of Congress on the evening of Nov. 21, immediately upon his return to Washington from his meeting in Geneva with the Soviet leader, Mikhail S. Gorbachev.

The four Soviet journalists include representatives from Tass, Pravda, Izvestia, and another Soviet news service, Novosti.

U.S. Foresees 'Shutdown' If Budget Proposal Fails

Compiled by Our Staff From Dispatches

WASHINGTON — The Reagan administration said Wednesday that the U.S. government would not honor its checks after Nov. 14 if House and Senate negotiators could not agree on a legislation to balance the federal budget.

An official said the situation threatened to force a "shutdown of the entire government."

A House-Senate conference committee continued work Wednesday on a plan, already passed by the Senate, to force a balanced budget by 1991.

The measure is attached to a bill to increase the national debt limit from \$1.824 trillion to more than \$2 trillion.

Without the increase in borrowing authority, government officials say they will have to sell assets in the Social Security trust fund to get the cash to pay recipients Friday, and will run out of all financial maneuvering room by mid-November. But there was no sign there would be quick action on the plan.

WORLD BRIEFS

Airlines Call for Tougher Security

HAMBURG (Reuters) — The world's major airlines, buffeted by rising costs and a series of air disasters, called Wednesday for tougher security.

The International Air Transport Association, which groups 140 carriers, said at the end of the group's annual meeting that its members had adopted a security resolution that will now go to its Montreal security office for final approval. The details were not made public. Delegates emphasized that a final decision for action rests with national governments.

Airline representatives said additional financial burdens from tighter security and rising fuel costs were likely to strain airline budgets and increase fares. The association said it expected members' profits this year to fall to \$100 million from \$500 million in 1984. Next year, the industry expects losses.

U.S. Farm Banks Seek \$6-Billion Loan

WASHINGTON (AP) — The Farm Credit System asked Congress Wednesday for \$6 billion to bail out the agency over the next few years, saying it had no other choice.

The request by the private cooperative of farm banks is coupled with measures providing tighter regulation of the system and a more centralized internal structure.

Without government financial assistance, "the system cannot survive the radical transition under way in agriculture," Ray Mose, spokesman of the Farm Credit Council, the system's lobbying organization, said at a House Agriculture Committee hearing. The 37-bank system is the largest farm lender in the United States, with \$70 billion in loans outstanding. It lost \$522 million in the third quarter.

Sweden Plays Down Collision of Ships

STOCKHOLM (Reuters) — The Swedish government sought Wednesday to play down an incident in the Baltic Sea on Tuesday in which a Soviet minesweeper was involved in a collision with a Swedish intelligence-gathering vessel.

Prime Minister Olof Palme said that the collision, in international waters, had not been serious. "There is no reason to dramatize the incident," he said.

The defense staff said that the collision occurred while the 1,800-ton Swedish vessel Orion was engaged in routine monitoring of Soviet naval maneuvers southeast of the Swedish island of Gotland. "The Soviet minesweeper and Orion had been maneuvering near each other for several hours when the collision occurred," it said. The Orion suffered minor damage and there were no injuries.

Nakasone Vows to Limit Military Fund

TOKYO (Reuters) — Prime Minister Yasuhiro Nakasone promised Wednesday to keep Japan's military spending within 1 percent of the country's gross national product, at least for one year.

Opposition parties in the Diet, Japan's parliament, criticized the pledge at a session of the budget committee. The committee was crossing a five-year program of military spending, which begins in April and had seemed likely to breach the 1 percent ceiling imposed in 1976.

Under pressure from the United States, Mr. Nakasone had been seeking to push military spending above the limit.

Botha Party Loses Seat in By-Election

JOHANNESBURG (Combined Dispatches) — A hard-line South African party defeated the ruling National Party on Wednesday in one of five by-elections that were being held as a test of President Pieter W. Botha's racial policies, election officials said.

The ultraright Herstigte Nasionale Party defeated the National Party in the Sasolburg constituency by 367 votes to win its first parliamentary seat. In the town of Springs, the rightist Conservative Party came within 749 votes of upsetting the National Party candidate. In 1981, the National Party won the Springs seat by 2,481 votes. The National Party retained its Port Natal constituency by 2,205 votes.

The by-elections were being held in five towns to fill vacancies in the all-white chamber of South Africa's tricameral, segregated Parliament. The National Party had held all five seats. (Reuters, UPI)

Professor in Busing Study Resigns

WASHINGTON (NYT) — A University of Chicago professor, who was a member of a committee monitoring a federal study of school desegregation, has resigned, charging that the study was technical, flawed and biased against busing.

The professor, Gary Orfield, urged the U.S. Commission on Civil Rights on Tuesday to prevent what he described as "the further waste of public money" by "shutting down this misbegotten study" at once. The study was designed to examine various means of desegregating schools, to determine which techniques have been most effective in promoting contact across racial and ethnic groups.

In a letter to the commission chairman, Clarence M. Pendleton Jr., Mr. Orfield said that "the study has been focused on a very limited set of research questions, showing no concern for the effects of desegregation on black and Hispanic children" while focusing almost exclusively on the departure of white children from the public schools.

For the Record

"Trespassing progress" was made at peace talks in Nairobi on Wednesday between the Ugandan military government and the main rebel group, President Daniel Arap Moi of Kenya said without elaborating. (Reuters)

The remains of nine more U.S. servicemen who had been missing in Indochina were delivered Tuesday to U.S. military officers at Travis Air Force Base in California. (AP)

The United Bermuda Party strengthened its 17-year hold on the island's government Tuesday by winning a record 31 of 40 seats in the House of Assembly with 62 percent of the vote. (UPI)

Harry W. Shalenski, U.S. special envoy for Central America, met with Ambassador Carlos Tumenman of Nicaragua in Washington on Tuesday in the first senior-level contact since early this year. U.S. officials said there was no narrowing of differences. (UPI)

Genoa Prosecutors Get Hijacking Case

United Press International

ROME — Prosecutors in Genoa will handle the Achille Lauro hijacking case, but a Sicilian arrest warrant for the Palestine Liberation Front leader, Mohammed Abbas, remains in force, an Italian court ruled Wednesday.

In addition, the court ruled that parallel investigations already conducted by Sicilian magistrates must be considered valid.

The decision means that, even though Genoa prosecutors have said they found no evidence that Mr. Abbas was involved in the hijacking, the arrest warrant remains in effect.

Sicilian magistrates issued the warrant during the weekend, charging Mr. Abbas with complicity to commit homicide, kidnapping and hijacking. He also faces charges of belonging to a terrorist group, and possessing and transporting weapons and explosives.

Mr. Abbas has been the key figure in the hijacking investigation since Prime Minister Bettino Craxi ignored a U.S. request that Mr. Abbas be arrested and allowed him to leave for Yugoslavia. The decision strained U.S.-Italian relations and led to the collapse of Mr. Craxi's five-party coalition.

A Genoa prosecutor, Luigi Carli, said shortly after he heard of the court ruling: "We cannot but be pleased by the decision. From this moment on, we will do our best to ascertain the whole truth of the case."

Mr. Carli declined to comment on the court's decision to reject a Rome state prosecutor's motion that the Abbas arrest warrant be quashed for lack of evidence. The men already in custody may stand trial within two weeks on the simplest charges they face. A Genoa prosecutor, Francesco Meloni, said Tuesday he was considering requesting a trial granted in special cases to cut through red tape.

Such trials seek to circumvent Italy's often-slow judicial procedure. Authorities obtained a quick trial in 1982 for the Red Brigades urban guerrillas who kidnapped Brigadier General James L. Dozier of the United States.

The court had been expected to rule that Genoa, not Sicily, had jurisdiction in the case because the cruise ship's home port is Genoa. Syracuse asked jurisdiction on grounds that Sicily was where the hijackers entered Italian custody, after four U.S. warplanes intercepted the Egyptian airliner carrying the hijackers and Mr. Abbas, who had negotiated their surrender.

Austrians Find More Chemicals in Wine

Reuters

VIENNA — A new scandal came to light Wednesday in the Austrian wine industry when it was disclosed that three toxic chemicals had been found in tests on wine during the past three weeks.

An Agriculture Ministry spokesman said the chemicals were added as preservatives to wines from Burgenland province in the southeast and included sodium azide, which is used as an additive to detonators. Wine preservatives are illegal in Austria. The spokesman said there was no indication that any of the wines had been exported. He said

100,000 liters (26,000 gallons) of wine had been seized.

The disclosure followed the announcement last week of a law aimed at preventing a repetition of this summer's scandal, when hundreds of wine brands were found to contain the toxic sweetening agent diethylene glycol.

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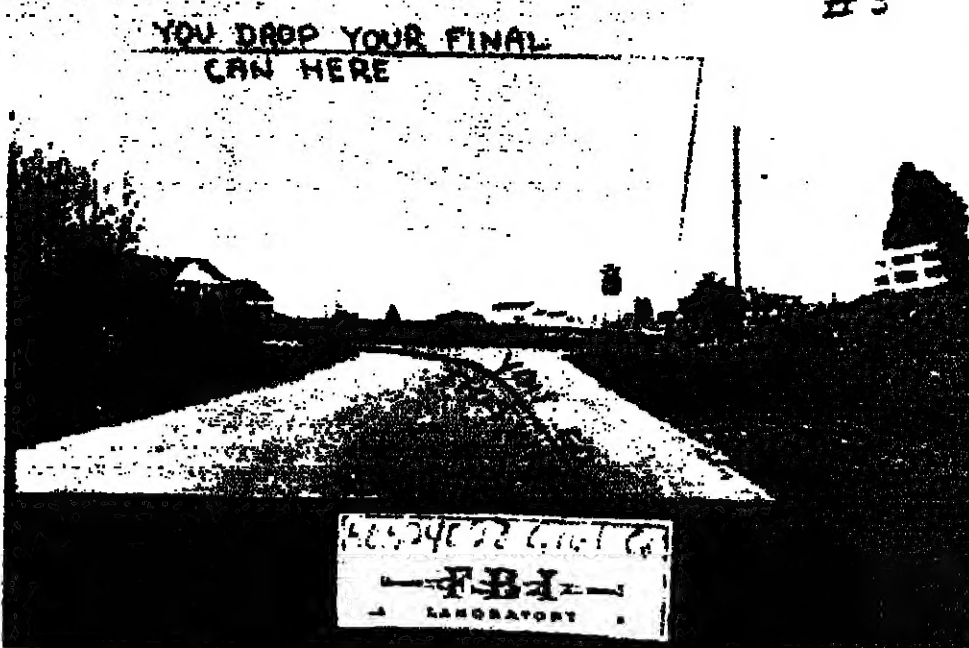


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U.S. Puts Space Shuttle Into Orbit to Carry Out West German Research

By Boyce Rensberger
Washington Post Service
CAPE CANAVERAL, Fla. — The U.S. space shuttle Challenger, on a scientific mission chartered by the West German space agency, was launched Wednesday, ferrying eight astronauts and scientists and a research laboratory into orbit 201 miles above Earth.
The eight passengers were a record number to orbit in one vehicle in space. It was the ninth flight by the 2,250-ton shuttle Challenger and the 22d space shuttle mission.
Only one problem, reported to be minor, clouded the shuttle's flight: One of the craft's three fuel cells that supply electricity malfunctioned, suggesting that it might produce less power than planned.
The shuttle flight, the first one entirely chartered by one customer, will be devoted to scientific experiments by three scientists, two West German and one Dutch.
The shuttle's cargo contains a 17-foot-long (5.1-meter) laboratory in which the scientists will carry out 76 experiments during the planned seven-day flight. The cargo bay normally accommodates satellites.
American astronauts will fly the shuttle while the Europeans, assisted by three of the five Americans aboard, do the experiments.
To accommodate a crew of this size, NASA engineers installed an extra "sleep station," bringing the total to four. Work in the laboratory will be conducted in shifts around the clock.
Ground control of the scientific operations will be in another country for the first time, at the West German space agency's center in Oberpfaffenhofen, near Munich. Ground control remains at the Houston's Johnson Space Center.
"This particular flight is very pleasing to NASA," said Jesse Moore, associate administrator for space flight for the National Aeronautics and Space Administration.



An FBI copy of one of the photographs used in the U.S. case against John A. Walker for spying. It is said to show a drop-off point he employed for passing secrets to Soviet agents.

Navy Assails Plea Bargain for Spy

(Continued from Page 1)
Lehman said the Walker ring's espionage "very well could have" led to U.S. deaths in Vietnam "if we are able to establish that compromises and operational information had been passed to Hanoi."
Mr. Lehman said that "we in the navy are disappointed at the plea bargain."
He said "it continues a tradition in the Justice Department of treating espionage as just another white-collar crime, and we think that it should be in a very different category." Michael Walker should have received "the maximum sentence allowable under the law," he said.
"Here's a guy at the age of consent who was out on a carrier with 5,500 other kids risking their lives, and he was prepared to compromise all of his shipmates, not to mention his whole country, here he was turning over documents knowingly to the Soviet Union," Mr. Lehman said.
"One can have a human sympathy for his family situation and ... his father leading him astray," the secretary said, "but nevertheless a human being is responsible for his acts, and the acts were traitorous acts and ought to be treated differently than insider trading."
Mr. Schatzow said Monday that the government agreed to the lighter sentence for Michael Walker, who also faced the possibility of life in prison, because it was "essential" to learn precisely what secrets John Walker had passed to the Soviet Union in 18 years of espionage.
Mr. Lehman said, however, that while the details are "nice to know," investigators already "know the bounds of the problem, we know what he had access to and what he almost certainly compromised, and so we're not going to save any money by what he tells us."
The "only possible payoff," Mr. Lehman said, "is if he reveals additional spies. But short of doing that, I don't see anything he can provide us with is worth ... the message that is sent."

U.S. Is Satisfied on Soviet Seaman

After Interview, State Dept. Says He Doesn't Want Asylum

By Philip Shenon
New York Times Service
WASHINGTON — A Soviet seaman who was captured after jumping from his ship into the Mississippi River has assured U.S. officials that he does not want political asylum and will be allowed to return to the Soviet Union, according to the State Department.
The announcement Tuesday came after extensive discussions between the seaman and American officials. The State Department said that the seaman, Miroslav Medvid, had satisfied U.S. officials that he wanted to return to the Soviet Union and was now back aboard his ship near New Orleans.
The decision averted a potentially divisive incident three weeks before the Geneva summit meeting between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev.
U.S. officials had refused to let the seaman's ship, the M.V. Marshal Konyev, leave its anchorage while diplomats were determining Mr. Medvid's intentions.
The State Department said that Mr. Medvid had signed a Russian-language statement late Tuesday afternoon confirming his wishes to return to the Soviet Union.
"He was alert and was determined by U.S. medical, legal and other representatives to be competent to make a decision concerning whether he wanted to remain in the U.S.," the State Department said. "Seaman Medvid reaffirmed his repeated statements that he wished to return to the U.S.S.R."
"Seaman Medvid signed this statement," it said. "We then released Seaman Medvid" for return to the ship "in accordance with his wishes. The United States government considers this matter closed."
The incident began when Mr. Medvid jumped from the moving freighter into the Mississippi River and was caught by U.S. authorities. Within hours, U.S. Border Patrol agents decided to return the seaman to the vessel despite his protests. A witness said Mr. Medvid was kicking and screaming as he

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Fear of AIDS Prompts Legal Moves in U.S.

By E. R. Shipp
New York Times Service
NEW YORK — States and cities across the United States are enacting numerous proposals prompted by public concern about AIDS.
From town halls to the halls of Congress, laws and guidelines connected with the emergence of acquired immune deficiency syndrome have been adopted or proposed.
• Ban the operation of bathhouses that are havens of homosexual activity. This week, Governor Mario M. Cuomo ordered officials in New York City to close establishments permitting "high-risk sexual activities."
• Require that certain workers take a test that detects the presence of the AIDS antibody in the blood, a sign of probable infection with the virus.
• Require that those whose tests for AIDS antibodies are positive be identified to state health officials.
• Quarantine AIDS victims.
• Make it a felony for homosexuals and intravenous drug users to donate blood.
In at least two mayoral races, in New York and Houston, candidates have made an issue of the disease in their campaigns, offering plans for combating it through local laws.
AIDS is a fatal condition caused by a virus that weakens the body's defenses against infection. There is no known cure. At least 14,388 cases have been diagnosed in the United States since 1979, with 7,255 resulting in death.
In the United States, the syndrome primarily has affected male homosexuals, intravenous drug users who share needles and hemophiliacs and others who have received contaminated blood products. Scientists say the virus has only been known to spread through intimate sexual contact and transfers of blood.
In several major American cities, attempts to curb the spread of AIDS have focused on homosexual bathhouses, where men gather to engage in sex with multiple partners.
But in San Francisco, despite court-imposed restrictions on sexual conduct at homosexual bathhouses, the city's "outing" legal battle to curb "unsafe sex" at these establishments has had only limited success, according to legal and health officials.
The bathhouse issue has spilled over into the New York mayoral race. Diane McGrath, the Republican-Conservative candidate, has called for closing not only bathhouses but also bookstores, bars and movie theaters "to protect these people from themselves."
AIDS is also an issue in the mayoral race in Houston, where a remark that was inadvertently broad-

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John Davis Lodge, Diplomat, Is Dead

The Associated Press
NEW YORK — John Davis Lodge, 82, U.S. ambassador to Switzerland from 1983 until this year and who had been a congressman and the governor of Connecticut, died Tuesday of a heart attack.
He served as ambassador to Switzerland until last spring, when he was replaced by his predecessor, Faith R. Whitley. He also served as ambassador to Argentina from 1969 to 1974 and Spain from 1955 to 1961.
Mr. Lodge was a Republican congressman from Connecticut from 1946 to 1950. He was elected governor in 1950 and served one four-year term.
He was the grandson of Senator Henry Cabot Lodge and brother of Senator Henry Cabot Lodge Jr.
William M. Allen, 85, Headed Boeing 23 Years
SEATTLE (AP) — William M. Allen, 85, who in 23 years as president of Boeing Co. built it into the world's leading maker of commercial jet planes, has died after a long illness.
Mr. Allen is said to have "bet the company" and risk \$16 million on a new design for a prototype of a commercial jetliner. The result was the 707, the first of a long line of passenger aircraft. He said he deeply felt the flying public would throw his business to the fastest, most comfortable plane. More than 200 airlines around the world use Boeing planes today.
After T.A. Wilson became president in 1968, Mr. Allen was named chairman and chief executive officer, a post he held until his retirement in 1972.
Other deaths:
DeWitt John, 70, former editor at The Christian Science Monitor who guided it to three Pulitzer Prizes in the 1960s, last week while touring Portugal, the newspaper said.
Bernard Wolfe, 70, an author who worked as a bodyguard for Trotsky and as a merchant marine, Sunday after a heart attack in Los Angeles.
Ruby Hart Phillips, 82, a correspondent for The New York Times who covered the rise of Fidel Castro in Cuba, Monday in Cocoa Beach, Florida.
Robert Edward Chabellis, 81, who was convicted of killing four black girls in a 1963 church bombing in Birmingham, Alabama, that became a landmark for the civil rights movement in the Deep South, Tuesday at St. Clair prison in Odenville, Alabama.
Kirby Grant, 73, who starred as a wealthy rancher-pilot in the 1950s American television series "Sky King," on Wednesday in a traffic accident in Timonville, Florida while on his way to watch a space shuttle launch. In the 1953-54 series, Mr. Grant portrayed the Arizona pilot of the Songbird, a twin-engine Cessna he flew on his adventures.

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After a Year of Rajiv, Indira Is 'Almost Forgotten'

(Continued from Page 1)

In his brief apprenticeship under his mother, Mr. Gandhi did little to develop an independent identity. After the assassination, when the ruling Congress (I) Party chose him prime minister, he struck many as weak and uncertain.

In the subsequent parliamentary election campaign, Mr. Gandhi infuriated his opponents by questioning their commitment to Indian national unity. In December, the Congress (I) Party won 80 percent of the seats in Parliament, an unparalleled sweep.

Perhaps because the Congress (I) Party won only 49 percent of the actual vote, Mr. Gandhi took a more conciliatory approach almost immediately after the election. Then he signaled his willingness to break from the past by removing most of his mother's key advisers from his inner circle.

In a recent interview, Mr. Gandhi offered his first public criticism of the national emergency that his mother imposed from 1975 to 1977, during which civil liberties were suspended and many politicians were jailed.

Mr. Gandhi said that "a lot of things" had gone wrong because his mother had "lost control" dur-

ing that period and had allowed excesses to occur.

Associates say that in becoming prime minister, Mr. Gandhi was jolted into a more conciliatory attitude because of his mother's assassination, which many Indians believe was carried out as a retaliation by Sikhs angered at her crackdown on Sikh extremists in Punjab.

"I think after his mother was killed, he felt his back was against the wall," said Amitabh Bachchan, a film star, member of Parliament and longtime friend of Rajiv Gandhi. "When your back is against the wall, there's only one way to go and that's forward."

Mr. Gandhi said he shifted course for two reasons. First, he said, political opponents "survived on a confrontation" with his mother. But second, he said, "the real aim is, we've got to run the country."

People close to the Gandhi family feel that the prime minister's style is rooted in personality. Whereas Indira Gandhi was mercurial and loved the sport of outmaneuvering her enemies, Rajiv Gandhi is seen as more simple and straightforward.

"Mrs. Gandhi could be reticent, and then act with a force several times more than what was needed," said H.Y. Sharada Prasad, press adviser to both mother and son. "You know, they always said Neh-

ru was too trusting. They never said that about his daughter. People say Rajiv is more like Nehru."

The prime minister's defenders say he is essentially a problem-solver lacking a coherent philosophy or world view.

"But the things that need to be done in India are obvious — they don't require a world view," said Arun Shourie, a journalist and author who was one of Indira Gandhi's harshest critics.

"We have to straighten out our police and intelligence forces, supply safe drinking water and clear up the bottlenecks in industry," he said. "Now we have a ruler who says, 'I'm not the brightest or best, but let me just try to do these things.'"

The prime minister's economic program is widely seen as an example of the virtues and pitfalls of his pragmatism. Many people say Mr. Gandhi is not so much committed to free-market theories as he is eager to try something that might work.

Business executives, meanwhile, say that if the economy does not expand briskly, they could easily imagine Mr. Gandhi backtracking on his economic changes.

The philosophy behind his economic program is that there is a huge pent-up demand for consumer and industrial products, but that production is being strangled by high taxes, regulations and licensing requirements.

Mr. Gandhi said in the interview that he wanted to change the system "overnight." But he added that "if we do it overnight, the present industry will be in a very deep trouble."

He said he was concerned that big, new and efficient factories could be built, wiping out the old ones and throwing people out of work.

"We've got to give a sort of intermediary period where our current industry can adapt and become more competitive," he said.

Mr. Gandhi's defenders assert that in the long run, his policies will

achieve high growth in the industrial sector, generating tax revenues that can be used for health, education and welfare of the disadvantaged.

Numerous other problems face the prime minister.

Farm production has increased and famine has nearly disappeared, but widespread malnutrition remains. Vast numbers of Indians are too poor to get enough to eat, while surplus grain lies rotting in fields and storage bins.

In education, Mr. Gandhi and his aides acknowledge that India's schools are not training people in the skills the society needs. In population control, he says that current programs are not working.

Many experts say the biggest problem India faces is revitalizing government institutions. The prime minister acknowledges that accountability in the sprawling government bureaucracy has rotted away.

In foreign policy, Mr. Gandhi has shifted course, but with fewer tangible results.

India and Pakistan, which have fought three wars since independence in 1947, have stepped up their talks, and new cultural and communications accords were signed. But there seems to have been little easing of tensions.

Meanwhile, India has started many experts by playing a constructive role in mediating the dispute between the government of Sri Lanka and the Tamil insurgents who are seeking an independent state in the north and east.

One of the biggest foreign policy changes brought by Mr. Gandhi has come in relations with the United States. U.S. and Indian officials say that he has built on a trend started by Indira Gandhi, but that the tone of the relationship has a qualitative difference.

Officials said, for example, that the visit to New Delhi last spring by Fred C. Ikle, undersecretary of defense for policy, marked a turning point.



Rajiv Gandhi

The visit led to an accord permitting India to receive sophisticated technology, much of it with military application, that the Americans had been reluctant to give out for fear it would end up with the Soviet Union.

India's policy toward the Soviet Union has undergone no substantial change. But some analysts say they have detected that Mr. Gandhi may have become more willing to criticize the Soviet Union for its move into Afghanistan. "The phraseology, the wording, the emphasis has changed," said Kuldeep Nayar, a leading columnist.

In this area, as in so many others, the changes may be of style as much as of substance. But changes of style may lead to tangible results, political experts note.

Generally, because of the circumstances in which he came to office a year ago, Mr. Gandhi has had to serve as an apostle of both continuity and change. His mother used to say that she presided over "a government that works." Mr. Gandhi likes to say that his is a government that "works faster."

But the prime minister emphasized that the changes he seeks could take a decade or so.

"We can try to do things faster," he said. "But we don't want to snap the system."

Experts See Push to Curb Currencies

(Continued from Page 1)

particularly when the levels of inflation varied from country to country.

Yet, few countries are happy with the nonsystem that they settled upon in the early 1970s. They then decided to let currencies "float" in the market, permitting bankers, businessmen, governments, international travelers and speculators to determine exchange rates through buying and selling of currencies.

But the Reagan administration has lost faith in the policy, in part because of the strength of the dollar, which in the last four years has risen more than 40 percent above the average of other major currencies.

United States can make or break any worldwide move towards currency revision. The first hint of a Washington move came last April, when U.S. Treasury Secretary James A. Baker 3d told financial ministers from major industrial nations that the United States would "consider the possibility" of holding a monetary conference.

On Sept. 22, with the U.S. trade deficit fueling protectionist moves in Congress, Mr. Baker took a major step toward a more managed currency market by agreeing with four other major industrial powers — Japan, West Germany, France and Britain — that the dollar was too high. The officials said that they "stand ready" to force the U.S. currency down and since then the dollar has fallen 6 percent against an average of 15 major currencies.

It is possible that the administration may go no further than its Sept. 22 commitment. Some critics of the "benign neglect" policy say that a simple endorsement of joint intervention when a currency falls out of line is sufficient to handle the problem.

He compared the idea of strategic defense to the development of gas masks after World War I when all nations outlawed poison gas, but everybody kept their gas masks.

11.9 Million People in Tokyo

TOKYO — Tokyo had 11,903,956 people as of Oct. 1, metropolitan officials said Wednesday.

U.S., Britain Reach Accord on SDI Research Plan

(Continued from Page 1)

evidence of Soviet willingness to reach verifiable and equitable arms control agreements.

BBC Interviews Reagan

President Reagan said in a British Broadcasting Corp. interview Wednesday that he would propose in Geneva that the United States and the Soviet Union agree to share technology for missile defenses. The Washington Post reported.

The president first mentioned the idea of sharing technology on strategic defense last year but his remarks to the BBC provided the

first indication of a specific proposal.

Mr. Reagan said, however, that the United States would share its technology only if both nations agreed to reduce offensive nuclear arms. He predicted the superpowers could "switch to defense instead of offense."

In the interview, conducted Tuesday in Washington, Mr. Reagan said, "I would like to say to the Soviet Union, 'We know you've been researching for this same thing longer than we have. We wish you well.'"

"There couldn't be anything better than if both of us came up with

it," he added. "But if only one of us does, then why don't we, instead of using it as an offensive means of having a first strike against anyone else in the world, why don't we use it to ensure that there won't be any nuclear strikes?"

Mr. Reagan said he was willing to negotiate on his proposal "in the sense of coming to an agreement, which we are bound in the future for whenever that weapon happens — bound to this matter of world-wide sharing."

Mr. Reagan acknowledged that there progress "probably not" cannot be made in Geneva without a common understanding with the

Russians on strategic defense. He added, however, that "I think there can be an understanding when they hear what we have in mind."

He compared the idea of strategic defense to the development of gas masks after World War I when all nations outlawed poison gas, but everybody kept their gas masks.

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Experts See Push to Cut Current

Washington Post Service

At the surrender ceremony, the Communist rebels, including 10 women, gave up 80 rifles, carbines,

"Twenty-four."

During her visit to Tblisi in the Soviet Union, Mrs. Marcos was

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There have been frequent conflicts between Washington and Manila about whether the compensation is rent for the bases or is foreign aid. Whether the U.S. Congress has the right to determine annually the amount of compensation also has been disputed.

Mr. Marcos said the Philippines considers the payments obligatory.

our taste in Scotch.

**Reimers**

He made the comments after a meeting between the Soviet deputy prime minister, Yakov P. Ryabov, and President Suharto.

Mr. Ryabov, here on a five-day visit, is the most senior So-

Mr. Wardhana said the Soviet Union sought to buy Indonesian coffee, tea, cocoa, palm oil and tapioca. However, he said, Moscow had insisted on a barter system not favored by Indonesia.

By Don Oberdorfer

Further meetings of South-North committees on economic affairs and humanitarian issues are scheduled for late November. The dialogue between the two governments on the divided peninsula resumed Nov. 15 after a four-year break.

- Relaxing the anti-Communist posture of South Korea.
- Placating China's demands for relaxation of tension on the peninsula.

Nonetheless, he expressed concern that North Korea would see the action as "a small hole in the door of the United States" that could substitute for the pursuit of accords with the South.

Mr. Lho was taciturn when asked about press reports of an exchange of high-level secret visits involving Ho Dam, a former North Korean foreign minister, and Chang Se Dong, the South Korean

intelligence chief. "My government has denied it and North Korea has denied it," Mr. Lho said.

The Associated Press

The poll, carried out by Market and Opinion Research International for London's Standard Newspaper and published Tuesday, gave the Tories 37 percent, Labor 36 percent and the alliance of Liberals and Social Democrats 25 percent. Other parties got 2 percent.

Prosecutor Indicted in U.S.

The Associated Press

BOSTON — A former prosecutor with the New England Organized Crime Strike Force, David P. Twomey, has been indicted for selling drug dealers information about investigative plans and pending indictments.

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Herald Tribune

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A Few Hostages Benefit

The Kremlin's customary pre-summit tightening on human rights is on view. Evidently Andrei Sakharov's wife will soon be allowed to go abroad for the medical treatment that she has been seeking through her years of internal exile. Meanwhile, Moscow moved expeditiously to keep the fate of the Soviet sailor who jumped ship in New Orleans from becoming an inflamed public issue. On the eve of the last summit the Soviets exchanged five political prisoners for two convicted spies held in the United States. This is the pattern.

It is a pattern bound to trouble many people in the West. The evident purpose is to deflect human rights as a summit issue. This is easy to do. Moscow need only wave its wand over the likes of Mrs. Sakharov, wife of the dissident physicist, and Miroslav Medved, who became a chance celebrity by jumping a grain ship. The Kremlin looks like a kindly godfather, and a few flesh-and-blood individuals benefit.

Mrs. Sakharov may soon leave. Mr. Medved got the opportunity to say, in a setting that an attentive Reagan administration found conducive to free choice, whether he wanted to stay or go home. It is a good thing, by the way, that the administration intervened firmly to

ensure his choice after the Border Patrol twice returned him to his ship without having reliably determined his circumstances and views.

The sad fact remains that, in the arbitrary Soviet system, no relief is available for Soviet citizens other than by Kremlin calculation. People who have felt that Soviet society would eventually mature in this direction have been repeatedly disappointed. The arbitrariness that allows Moscow to make a gesture now is the quality that has allowed it for years to deny Western human rights appeals as alleged interference in an internal Soviet matter.

The new Soviet leader, Mikhail Gorbachev, apparently would like to be known as a reformer. But he came up as a protégé of veteran KGB chief Yuri Andropov, and reform in the Soviet context has more to do with discipline than with individual rights. President Reagan cannot disdain gestures, especially gestures that help real people. Nor can he appear satisfied by gestures to a token few. His test is to convey the widespread American conviction, which amounts to a political fact of life, that the way Soviet citizens are treated inevitably affects the readiness of Americans to improve relations with the Soviet government.

—THE WASHINGTON POST.

Let Both Sinners Repent

America buys \$40 billion more from Japan than it sells there, but that, Japanese policy-makers say, has little to do with protectionism. The real cause is the torrent of foreign capital being sucked into the American economy.

They are right. Even if Japan eliminated every restraint on imports, the U.S. trade deficit would narrow by no more than \$3 billion. But try telling that to hard-pressed American manufacturers of computer chips, tractors or machine tools. They are not likely to be mollified by abstraction. They want relief in the form of tariff or quota barriers, an approach that would be ruinous for both economies.

The sound alternative is a combination of American fiscal constraint and expansion of the Japanese economy. The United States, however, is dithering, and Japan, to judge by the measures it has just announced, is not much closer to doing what needs to be done.

Japan is, like the United States, a trade sinner. America protects sugar, clothing and steel. Japan protects beef, air travel and plywood. Japan is slowly yielding to foreign pressure to reduce trade barriers, even as America is yielding to domestic pressure to raise them. But, as practically everybody agrees, Japan's trade surplus will not melt quickly.

Common sense suggests that the big Japanese trade surplus should automatically self-destruct. Either the Japanese would spend the dollars they are accumulating, evening out the trade flow; or they would become increasingly reluctant to accumulate still more dollars, making Japanese goods more expensive to American consumers. But common sense ignores the role of thrifty Japanese savers. They are not spending their dollars but investing them in American assets. Hence the dollar remains strong despite the trade deficit.

One way to impede this return flow of dol-

lars is to make America a less attractive place in which to invest surplus savings. A recession or a nasty bout of inflation would probably do the trick. A more constructive way would be to cut the federal budget deficit, reducing Uncle Sam's need to borrow and allowing interest rates to fall. When will that obvious necessity occur? Don't hold your breath.

Another way would be for Japan to increase internal demand, diverting purchasing power from foreign securities. That is the nominal goal of Prime Minister Nakasone, who has announced yet another plan to stimulate investment in public works, housing and auto purchases. But the impact is likely to be very modest, merely a new gesture to American critics like his earlier plea to buy American.

It is easy to understand why Americans are unwilling to tighten their belts, but what explains Japan's reluctance to spend more and live better? The only effective short-term way to stimulate demand is to cut taxes or raise public spending, increasing the budget deficit to politically unacceptable levels. Another reason may be the difficulty of managing any rapid change in a culture that operates on consensus. A more important reason is probably the perception among Japanese that they are being asked to bear the responsibility for other countries' weaknesses. They do not work too hard; others work too little. They are not excessively thrifty; others are profligate. The polite face of diplomatic Japan masks a growing resentment of foreign criticism.

The Japanese have a case. But in an interdependent world economy, neither country can afford the luxury of a debate over who holds the high moral ground. If both do not do a much better job of coordinating domestic economic policies, both will be the losers.

—THE NEW YORK TIMES.

Other Opinion

The Kremlin Postpones Utopia

Utopia is postponed. That is official. The Soviet Communist Party says as much in its draft party program, which admits that the road to true communism is rockier than it earlier thought, and that capitalism is the pushover it once hoped. In sum, the new program shows the eastern superpower's ruling elite to be more realistic, and possibly therefore easier for the rest of the world to handle.

The 1980s so far have seen little Soviet expansionism. One factor in this is the Soviet party's view that capitalism, by which it means the West, is "still strong and dangerous" and, though historically doomed (of course), has bought time for itself "by constantly maneuvering to adjust to the changing situation." This may be a backhanded admission that the West has, for all its problems of unemployment and inflation, launched its economy into a new industrial era in which the Soviet Union is finding it hard to compete.

—The Financial Times (London).

Top Priority to a Stronger Yen

We repeat our request that the U.S. government and Congress continue their efforts to reduce the fiscal deficit, which prompted the strong dollar, and that the Japanese government give top priority to realizing a stronger yen through fiscal and monetary policies. There is no room for optimism for Japan, which must further step up efforts to expand its market, in addition to a stronger-yen policy.

FROM OUR OCT. 31 PAGES, 75 AND 50 YEARS AGO

1910: Labor Unrest Grows in Britain
LONDON — There are renewed symptoms at present of the unrest analyzed by Sir Edward Grey, the foreign minister, as due to a worldwide movement for economic equality. The troubled areas, says the "Morning Leader," are the South Wales coal field, where 25,000 men threaten to strike owing to a dispute between a mine manager and a miners' agent; the shipbuilding centres, where a lockout has been in force for several weeks and an effort to bring the employers and men together is about to be made, with doubtful results; and the Great Eastern Railway, where there is a disputed interpretation of an arbitrator's award.

1935: Boys Rule on Halloween Night
PARIS — Tonight is Halloween, and although bats and cats, witches and hobgoblins no longer drive the good folk to bar their doors and creep closer to the fireside, hundreds of small demons in short pants will substitute for the supernatural counterparts and roam the countryside, inflicting mischief and leaving havoc in their wake. For Halloween in America has long lost its religious significance and become the national holiday of the small boy. On October 31 all America not yet out of knickerbockers considers that it has carte blanche to turn loose its instinct for minor mayhem. For one night, America is in a state of siege.

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A Joint Appeal to Reagan and Gorbachev

This joint statement is addressed to Ronald Reagan and Mikhail Gorbachev. It was drafted earlier this year, completed in New York last week and made available to The New York Times by the Swedish government. The statement was signed by President Raúl Alfonsín of Argentina, President Miguel de la Madrid of Mexico, Prime Minister Olof Palme of Sweden, Prime Minister Rajiv Gandhi of India, President Julius Nyerere of Tanzania and Prime Minister Andreas Papandreu of Greece.

THE world's highest expectations are focused on your meeting in Geneva next month. All peoples and governments hope that you will be able to stop the deepening tensions of the last year, opening an era of peace and security for humanity.

You know, as we do, that the growing stockpiles of nuclear weapons, if used, even though by accident or by miscalculation, will engulf us all in complete destruction. No interest can justify this threat to present and future generations. Hence, the prevention of nuclear war is a key issue not only for your peoples and their destinies but for all people on every continent. Since the citizens of all nations are equally threatened by the consequences of nuclear war, it is of utmost importance to us also that your meeting should create appropriate conditions and produce concrete steps toward disarmament and peace.

The tragedy of our time is that, mainly due to mutual distrust, so far it has been impossible to end the nuclear arms race. For your own security and that of all nations and human beings and in order to ensure the preservation of the planet we all share, it is of paramount importance to build mutual confidence.

Your meeting offers a historic opportunity to step boldly out of the vicious circle of the escalating arms race. We hope that through the demonstration of will to establish mutual confidence by overcoming differences, new impetus will be imparted to your bilateral negotiations and also to multilateral negotiations in Geneva, Stockholm and Vienna. We recognize as a positive development that

during the present year your governments have initiated in Geneva negotiations covering both space and nuclear arms to be considered in their interrelationship. We are concerned that such negotiations have not yet produced results. We feel, however, that various recent proposals and developments seem to offer new hope that both deep cuts in the arsenals of nuclear weapons and effective measures for the prevention of an

'We propose that you suspend all nuclear tests for a period of 12 months. Such a suspension could be extended ...'

arms race in outer space will now be seriously considered in the bilateral negotiations in Geneva in conformity with the conclusions we expect you to reach at your meeting.

In our Delhi declaration of January this year, we called for a complete halt in the testing, production and deployment of nuclear weapons and delivery vehicles, and of space weapons, to be immediately followed by substantial reductions in nuclear forces. This would facilitate the task of preventing an arms race in space and terminating it on Earth, ultimately eliminating nuclear arms everywhere.

Since January, some of us have had the privilege of discussing our proposals with you in person, as well as with the leaders of the other nuclear weapon states. One suggestion which we

particularly emphasized in our message from Delhi was for a halt to all nuclear weapons testing and the early conclusion of a comprehensive test ban treaty. In the light of these valuable discussions, we have decided to put forward some ideas for consideration at your meeting in Geneva.

We propose that you suspend all nuclear tests for a period of 12 months. Such a suspension could be extended or made permanent. We expect that the other nuclear weapon states also should take corresponding action.

We believe that this would improve greatly the prospects for substantive agreements and would restrain the development of new, faster and more accurate weapons, which continues unabated even as negotiations are under way. The problems of verifying the suspension we propose are difficult, but not insurmountable. We believe that you yourselves could find a solution satisfactory to both.

If you would consider it helpful, we are ready to offer our good offices in order to facilitate the establishment of effective verification arrangements. Third party verification could provide a high degree of certainty that testing programs have ceased. We propose to establish verification mechanisms on our territories to achieve this objective.

The responsibility entrusted to you is indeed awesome. We are convinced that the international community will support you in your endeavors. For our part, we reiterate our readiness to work together with you for the common security and survival of humanity.

The New York Times.

The Soviets Can Hardly 'Start Over'

By George F. Will

WASHINGTON — It is paradoxical but true. The task of conservatives is to pull a conservative president, and U.S. diplomacy generally, out of the 19th century and into the 20th. This conclusion is compelled by President Reagan's peculiar and opaque rhetoric about a "fresh start" in U.S.-Soviet relations.

This conclusion is paradoxical because conservatives have a retrospective cast of mind. Their cardinal virtue, prudence, involves mining the past for instructive precedents and proven institutions and procedures. Furthermore, the greatest figures of 19th century diplomacy — Metternich, Wellington, Bismarck, Disraeli — are in the conservative pantheon.

Nevertheless, the conservative problem today is that President Reagan, although a defender of contemporary conservatism, subscribes to a model of diplomacy that reflects the 18th century liberal mind. This is so even though the model was adopted by those 19th century conservatives.

The problem is the radical newness of a kind of 20th century regime, and the depressing oldness of rhetoric about a "fresh start."

What did President Reagan mean by that? Indeed, what could he mean? He is painfully fond of the least-conservative sentiment conceivable, a statement taken from an anti-conservative, Thomas Paine: "We have it in our power to begin the world over again." Any time, any place, that is nonsense. But that may have been how things looked in 18th century America, on the thinly populated



fringe of an unexplored continent, or in revolutionary France, in the first flush of upheaval.

Many people then believed in "fresh starts," either because society was not yet planted thick with institutions or because old institutions suddenly seemed fragile. They believed that people everywhere were similar, essentially good and easily educable. "The present age," said Paine, "will hereafter merit to be called the Age of Reason, and the present generation will appear to the future as the Adam of a new world."

Some also believed, with Paine, that the "science of government" is "of all things the least mysterious and the most easy to be understood," for "men have but to think and they will neither act wrong nor be misled."

Mr. Reagan has repeatedly used Paine's words about beginning the

world "over again," concerning domestic policy. One result of his sincere belief in "fresh starts" is the budget deficit. The theory was that America would cut taxes and then compensate for the lost revenues by cutting spending. It would start "over again," making a "fresh start" in defining federal social roles, as if the New Deal and the Great Society had never happened. But it is, it seems, impossible to start over again at even, say, 1965 levels of social spending. It is not even possible to make a "fresh start" without Amtrak.

Applied to domestic policy, the idea of a "fresh start" has produced fiscal problems. Applied to foreign policy, it can produce disaster.

Americans believe in "fresh starts," meaning limitless possibility, because they think that all people, and all regimes, think "economical-

ly," rationally calculating how to enhance essentially similar interests.

That assumption would be true, or true enough, were the world as Paine thought it was. He said there were just two types of government: those "by election and representation" and those "by hereditary succession." He predicted that all governments would soon be representative. Then "nations will become acquainted, and prejudices fomented by the intrigues and artifices of courts will cease."

The 19th century was not that serene, but it was relatively tranquil. Irving Kristol, writing in "The National Interest," a new foreign policy quarterly of conservative bent, says that 19th century diplomats represented regimes that regarded one another as permanent presences. They defined national interests in limited and familiar ways that allowed conflicts to be resolved by splitting differences. Sometimes the splitting was done after wars, but they were limited wars. Governments maneuvered to alter, but not obliterate, the "equilibrium" among powers. The rules of that game of nations allowed for time-outs, and for fresh starts.

The rules changed radically with the eruption in this century of totalitarian regimes whose foreign policies reflect domestic arrangements resting on lies and terror. Regimes that derive their claims to legitimacy from ideologies that legitimize limitless violence are not interested in the 19th century ideal of "equilibrium."

Today's synonym for "equilibrium" is "stability." We seek a "stable" relationship in strategic arms, and "stability" in regional conflicts. The Soviet Union desires stability in theory and assails it in practice.

America is a nation of poker players. Poker is a game of fresh starts — play a hand, shuffle the deck, deal again. The Soviet Union plays chess and pursues endgame.

Washington Post Writers Group.

This 'Reagan Doctrine' Is Only Words

By Philip Geyelin

WASHINGTON — President Reagan's address to the United Nations General Assembly was a political document, calculated to get the United States off the arms control defensive and onto a "broader" agenda for the Geneva summit. But to see it as a summit game plan is to suggest that it is not also authentic Reagan policy. There is the pity. As a tactical stroke the speech made a certain sense. As policy for the real world, it makes almost no sense at all.

The more you examine the speech, the more apparent it is that this is vintage Reagan policy. What was heard in the General Assembly was a Reagan doctrine for foreign policy.

That is not the kindest thing to say when you consider the shelf life of presidential doctrines: Truman's, Eisenhower's, Nixon's, Carter's. But I am only picking up on what has been said by such as Jean Kirkpatrick and the crowd at The Heritage Foundation, a conservative think tank which is about as close to the ideological hard core of the Reagan White House as you can get without being in it.

Heritage had a symposium last year on "Reagan doctrine." Representative Jack Kemp called on Mrs. Kirkpatrick to present what she called her "formulation of the operational code that I believe to be present in the president's views and policies of the last four and one-half years." Her statement was subsequently put out in a pamphlet with the title, "The Reagan Doctrine and U.S. Foreign Policy."

"The point of departure of Reagan doctrine," Mrs. Kirkpatrick said, "is the idea of freedom." At the "core" of his world view, Mr. Reagan now says, is "an eternal truth: Freedom works."

Mrs. Kirkpatrick said, "The president's response to imperial growth of the U.S.S.R. has been to clearly affirm American solidarity with people struggling to prevent their incorporation into the Soviet empire or to regain their freedom. That is what Mr. Reagan told the United Nations."

Mrs. Kirkpatrick found her Reagan doctrine in a passage in the president's State of the Union message back in January 1984: "We must not break faith with those who are risking their lives on every continent, from

Afghanistan to Nicaragua, to defy Soviet-supported aggression and secure rights which have been ours from birth. Support for freedom fighters is self-defense."

Last week Mr. Reagan said almost the same thing. If his proposals for a negotiated settlement of anti-Communist insurgencies in Afghanistan, Cambodia, Ethiopia, Angola and Nicaragua did not result in "definitive" progress, "America's support for struggling democratic resistance forces must not and shall not cease."

Mrs. Kirkpatrick is not alone in her hub-thumping for a "Reagan doctrine." Richard Nixon used the term in a recent article in Foreign Affairs magazine offering guidance in the administration's approach to Geneva. But both he and Mrs. Kirkpatrick put their finger, by design or inadvertence, on the reason why this Reagan doctrine makes so little sense.

Mr. Nixon conceded that one cannot expect the Soviets to stop being "dedicated to expanding Communist influence and domination in the world." President Reagan also spoke (twice) of "deep and abiding differences" between the United States and the Soviet Union that put the two countries "into natural conflict and competition with each other." But then he turned around and asked the Soviets to help promote negotiated settlements of the five conflicts in the world where the ideological lines are most sharply drawn. And he gave no sign that he would accept anything short of a "democratic reconciliation" of Communist regimes in all those countries "with their people."

Clearly, negotiations "among the warring parties in each country" hardly look promising. And yet the Reagan doctrine, according to Mrs. Kirkpatrick, has strict limits: "It should be emphasized that the sympathy, solidarity, and assistance offered by Reagan doctrine do not include U.S. participation in combat."

If she has it right, what the critics are saying about U.S. "covert" assistance to the Afghan rebels becomes sadly appropriate: The level of U.S. aid gives the rebels too little to win

with — "only enough to die with." Yet successful U.S. support for anti-Communist insurgency seems to have been the centerpiece of the Reagan administration's approach to East-West relations for at least two years. The president was not talking summit tactics when he laid down in 1984 what his ideological soul mates have seized upon as a Reagan doctrine.

So you have to believe that the president meant it when he said last week that "the promise of the future lies not in measures of military defense or the control of weapons, but in the expansion of individual freedom and human rights." And if that is the agenda for the Geneva summit, you also have to wonder whether its epitaph will be any cheerier than John Kennedy's for the Vienna summit in 1961. "It's going to be a cold winter," he told Nikita Khrushchev.

Washington Post Writers Group.

LETTERS TO THE EDITOR

A Peres Offer to Take Up

It is hard to follow William Pfaff's logic in "Behind Peres's Offer, a Note of Desperation" (Oct. 26). Israel has made proposals. "Why should Jordan cooperate?" asks Mr. Pfaff. Why should it not? Israel has offered to negotiate within the context of an international forum and to do so with Palestinians. The aim of the talks is to terminate the state of war and define permanent boundaries. Nothing has been determined in advance, so why not talk? Israel withdrew totally from the Sinai in exchange for a peace treaty. The West Bank is a more complex affair, but until the parties begin talking, nothing will be solved.

BARRY SHENKER

London.

Shimon Peres may be desperate, as Mr. Pfaff would have it, but at least he is doing something and not merely retrenching behind hate-filled memories. He is a new-thinking, fresh type of politician. Mr. Pfaff — and the rest of us — might give him a chance.

PIERRETTE KOMAREH

Thoiry, France.

Good and Bad Murder?

The reams you gave us about the Achille Lauro and Leon Klinghoffer contrast sharply with your brief in a side-page treatment of the brutal bombing death in Los Angeles of an official of the Arab-American Anti-Discrimination League, Alex Odah ("Bomb Kills Arab-American Activist," Oct. 12). Are you trying to tell us that Mr. Klinghoffer's brutal slaying was front-page news because it came at the hands of Palestinian terrorists, while the Los Angeles killing, obviously the work of pro-Israeli terrorists, was of secondary importance because it involved an Arab? Are there "good" terrorists?

JAMES V. CROTTY

Paredes, Portugal.

I was disappointed to see your Oct. 5 issue give front-page coverage to Mrs. Gorbachev's style of dress — "elegant, not chic." I would have expected to read this with interest under, say, Arts & Leisure.

Americans living abroad are too

Deadlines Heighten A Drama

By Flora Lewis

PARIS — Almost all players in the endless Middle East drama are in motion again. Whether their myriad signals mean that at last there is a real chance for peace negotiations or whether it is just another turn of the merry-go-round remains to be seen.

The Israeli prime minister, Shimon Peres, talks repeatedly of getting started before the end of this year, for good reason. He has only until next October in office before he must step down in favor of Likud's Yitzhak Shamir, under the agreements that created the coalition government. Engagement in talks serious enough to convince the Israeli public that there is a fair prospect of peace is probably the sole ground on which he could successfully break the deal.

Ironically, the "rotation" accord, which looked like a grand watershed when it was made a year ago, has strengthened Mr. Peres's hand considerably. It is a powerful deadline for Jordan, because Mr. Shamir and his party have made no secret of their desire to annex occupied lands and refuse any territorial concessions.

There is a double deadline, although the second one is less precise. It is the growing weakness of President Hosni Mubarak in the face of domestic unrest. Israel has no doubts about his loyalty to their peace treaty, but if he should fall before the treaty is broadened to Jordan, a new leader in Cairo might not hold firm.

The two deadlines are pressing in various ways on all who are involved. King Hussein still seems to hope that Yasser Arafat will finally carry out the conditions that Mr. Arafat accepted last spring so that Jordan can negotiate on behalf of the PLO.

To Syria's evident satisfaction, Mr. Arafat has weakened himself so badly that his choice may be only to support King Hussein or fade into impotence on the sidelines. His base in Tunis is shaky, and if he has to move once again to Iraq, his commandos will be practically out of striking distance from Israel.

Syria, as usual, is a crucial enigma. But its newly warming relations with Jordan are not worrying Mr. Peres. President Hafez al-Assad may be coming to prefer playing a role in an international peace process, without Mr. Arafat, to trying to break it up and risk being left out.

Shifts in Soviet policy are of special importance. Mikhail Gorbachev has said he will not decide before his summit meeting with President Reagan. But he is sending messages that he is prepared to move dramatically on Jewish emigration and limited relations with Israel if the U.S.-Soviet climate is favorable. The French offer to stir Jewish emigrants directly from the Soviet Union to Tel Aviv is based on private exchanges that make that a real possibility.

The Russians have told Western diplomats that they made a mistake insisting in the past that the people they let out must go somewhere other than Israel first, because then large numbers want to America instead. That undermined the claim that the movement was only reuniting families, not a special exit privilege for Jews that is denied to other citizens.

The Russians are aware that under Israeli law, arriving Jews immediately and automatically receive Israeli citizenship. Under American law they would then have to apply for American visas in the Israeli quota rather than under the far more generous provisions for admitting refugees.

It is not at all clear what Mr. Gorbachev will ask from Mr. Reagan. Large-scale emigration would be a brilliant success for the president's human rights program. That should be an additional incentive to make the summit conference work well.

The urgent Soviet desire to participate in an international conference that would provide an umbrella for Israeli-Jordanian negotiations shows that Moscow now takes the possibility of talks seriously and is determined not to be left out. Recently, a high-level Soviet diplomat repeated to a senior Israeli ambassador that the current Moscow judgment it was a mistake to break relations with Israel after the 1967 war.

Mr. Reagan's surprising omission of the Middle East from the list of regional trouble spots in his United Nations speech is a sign that diplomacy on this issue may be too promising to disturb with futile rhetoric.

But, but, but ... There are bound to be attempts to blow up this delicate dance to the peace table. If the deadlines are missed, it could take a long time to line up another chance.

The New York Times.

Freedom in Europe, Too

The New York Times editorial "What Reagan Did Not Say" (Oct. 26) takes President Reagan to task for not mentioning apartheid when he said that "freedom is not the sole prerogative of the chosen few, but the universal right of all God's children."

Very well. But, then, should the New York Times, and you, Sir, not champion also the right of all East Europeans whose freedom and human rights are flouted incomparably more than those in South Africa? As free Romanians see it, Mr. Reagan castigated the Soviet Union for the present shooting conflicts, brought about by Moscow's direct intervention. We applaud him for it.

JON RATTU

Zermatt, Switzerland.

SCIENCE

Edmond Halley: 'The Man Orbits Forever in the Shadow of the Unmatched Newton'

By John Noble Wilford

New York Times Service

TOWARD the end of his long life, Edmond Halley was writing of his prediction that the comet he studied in 1682 would return in 1758 or 1759. He knew he would not live to see if his calculations

were correct. But he expressed the hope that "candid posterity will not refuse to acknowledge that this was first discovered by an Englishman."

"Candid posterity" has been, in one sense, generous to Halley. His name is forever associated with

comets — although often mispronounced (it is Halley as in "alley"). Halley did not discover his comet. His contribution was to determine that comets do not travel straight lines or parabolic orbits, but in elliptical orbits, in a sort of squashed circle, thus making periodic visits to the inner solar system. By plotting with care the characteristics of their orbits, he concluded that it was possible to predict their many returns, as he did with "his" comet.

On Christmas night in 1758, almost 17 years after Halley's death, the comet was seen again as he had predicted. And still faithful to his calculations, the comet that last appeared in 1910 is back again this year, now about 100 million miles (160 kilometers) away and traveling 66,000 miles an hour. It will make its closest approach to Earth on Nov. 27, passing within 58 million miles. By the end of the year the comet should be visible with ordinary binoculars and small telescopes. Then next March, after the comet has swung around the Sun, it will be observed up close for the first time by an international armada of spacecraft.

POSTERITY has been less than generous to Halley in ignoring his other contributions to science. He was an innovative cartographer, student of geomagnetism, inventor of a deep-sea diving bell, author of the first actuarial mortality tables and captain of a bold seagoing scientific expedition. As a mathematician and astronomer, his primary calling, Halley was a pivotal figure in the scientific revolution set in motion by Copernicus a century earlier and advanced by the increasing use of telescopes in observing the workings of the universe.

But Halley was eclipsed in history, because one of his contemporaries was Isaac Newton. The two men were a study in contrasts, as Philip Morrison, a physicist at the Massachusetts Institute of Technology, writes in the November issue of Scientific American: "Halley the man orbits forever in the shadow of the unmatched Newton, but he was a gifted, original, versatile and productive scientist, and a human being as adventuresome, generous, loving and sweet as Newton was retiring, cold, solitary and austere."

Yet they became colleagues. It was Halley who encouraged the retiring Newton to write down the principles of gravitation he had developed after years of thought supposedly inspired by the legendary falling apple. Newton recognized that gravity on Earth represented the same law of force as that affecting the motion of planets around the Sun. Halley edited the manuscript and arranged financing for publication in 1687 of Newton's great book, "The Mathematical Principles of Natural Philosophy."

Halley's encouragement of Newton was perhaps his greatest contribution to science, according to Alan Cook, a professor of natural philosophy at Cambridge University in England. But in applying Newton's laws of gravitation in making his comet prediction, Halley went an important step further. His correct prediction turned out to be the first direct confirmation of Newton's theories.

Halley was born near London on Nov. 8, 1656, into a well-to-do mercantile family. His father recognized early the "promising genius" of young Edmond and saw to it that he was provided with books and the "curious apparatus" for observing the planets and stars. While a student at Oxford University,

he published his first scientific report, based on his observations of Jupiter and Saturn. At 20, he established his reputation as a professional astronomer on an expedition to the South Atlantic, where he compiled the first authoritative catalog of the southern skies.

In 1680, the young astronomer made his first attempt to plot the course of a comet, and he made a hash of it. The fault lay not in Halley's mathematics, but in the conventional scientific wisdom about comets. It was wrong.

The Polish scholar Nicolas Copernicus had in 1543 exposed the notion of an Earth-centered universe as nothing but a human conceit. The Sun did not move around a fixed Earth; the Earth moved around the Sun. Johannes Kepler, the German who inherited the meticulous observations of Tycho Brahe, the Danish astronomer, determined that the orbit of a planet was not circular, as had been assumed, but was an ellipse with the Sun at one focus. Meanwhile, Galileo Galilei in 1609 had peered through the first telescope at Jupiter and seen for the first time the four large satellites orbiting the giant planet. This microcosm of the planetary system confirmed Copernicus' theory.

Still, astronomers hardly knew what to make of comets. Tycho Brahe had determined that they were not, as Aristotle had declared, atmospheric phenomena. But Kepler did not believe they obeyed his own laws of planetary motion. Comets, he said, traveled roughly in a straight line. They might fall into the Sun and be destroyed. Or, missing the Sun, they might swing around it and return to outer space. They would not, it was supposed, ever return again.

Stung by the failure with the 1680 comet, Halley made even more careful observations of the comet he saw through his home telescope in November 1682. This was the object that would someday be known as Halley's comet.

THE comet set him to thinking about the problem that was very much on the minds of many scientists of the day. Kepler had described the elliptical orbits of planets, but did not know why this was so. What was the force accounting for the motions of the planets and other bodies like comets?

In 1684, Halley met with Robert Hooke, a physicist, and Christopher Wren, the architect, at a London coffeehouse, and fell into a long discussion of the problem that prompted him to pay a visit to Newton in Cambridge. Newton told his visitor that he had solved the problem some years earlier and then laid aside the calculations. This was the genesis of Newton's universal laws of gravitation and of Halley's collaboration in having them published.

Halley, preoccupied by his other scientific interests, seems to have taken his time applying Newtonian principles to comets.

In 1686, he had drawn what is considered the first meteorological chart, which illustrated the directions of prevailing winds over the oceans. This was the beginning of what is known as thematic maps, maps that illustrate the geographic distribution of information about climate, vegetation, population, wealth and just about any physical or abstract fact.

Similarly, on a sailing expedition he commanded, Halley plotted the variations of the Earth's magnetism and produced a map illustrating the variations as an aid to navigators using magnetic compasses. For the chart Halley introduced another

of his cartographic innovations, the isolines. These are lines on a map connecting points of equal value, the most familiar of which today are the contour lines on topographic maps that trace zones of equal elevation.

But Halley had not forgotten the comet of 1682. After an analysis of historical accounts, he became convinced that comets seen in 1531 and 1607 were the same as the 1682 object. They followed what appeared to be the same course. He had, moreover, re-examined his data on the 1680 comet and determined that it was traveling an elliptical orbit — not a parabolic orbit, as Newton had believed. If it was an ellipse, and other comets traveled similar courses, Halley realized that it was indeed possible for the same comets to re-appear many times.

In 1705, Halley first published his calculations and his prediction. "Many considerations incline me to believe the Comet of 1531 observed by Apianus to have been the same as that described by Kepler and Longomontanus in 1607 and which I again observed when it returned in 1682. All the elements agree. Whence I would venture confidently to predict its return, namely in the year 1758."

One uncertainty had troubled Halley. The intervals of time between the visitations were not precisely the same, being off by a year or so. Recalling research he had done much earlier on Jupiter and Saturn, Halley suspected that gravitational perturbations from the giant planets could throw the comet off its course and timing. Newton, asked to ponder this, came up with gravitational calculations by which Halley was able to refine his predictions.

In his latter years Halley was

In The High Court of Justice (England)

Chancery Division

Mr. Registrar Bradburn

IN THE MATTER of CENTAUR INTERNATIONAL INSURANCE COMPANY LIMITED

No. 006262 of 1985

and IN THE MATTER of THE CONCORD REINSURANCE COMPANY LIMITED

No. 006261 of 1985

and IN THE MATTER of MARBARCH INSURANCE COMPANY LIMITED

No. 006260 of 1985

and IN THE MATTER of SHASTA REINSURANCE COMPANY LIMITED

No. 006263 of 1985

and IN THE MATTER of THE COMPANIES ACT, 1985

and

In The Supreme Court of Bermuda

Sir James Astwood Chief Justice

IN THE MATTER of CENTAUR INTERNATIONAL INSURANCE COMPANY LIMITED

1985 No. 326

and IN THE MATTER of THE CONCORD REINSURANCE COMPANY LIMITED

1985 No. 324

and IN THE MATTER of MARBARCH INSURANCE COMPANY LIMITED

1985 No. 325

and IN THE MATTER of SHASTA REINSURANCE COMPANY LIMITED

1985 No. 332

and IN THE MATTER of THE COMPANIES ACT, 1981

NOTICE IS HEREBY GIVEN that by Orders all dated the 11th October 1985 made in the High Court of Justice (England) Chancery Division in the matter of the above-named Companies ("the Scheme Companies") and in the matter of the Companies Act, 1985 and by Orders all dated the 16th October 1985 made in the Supreme Court of Bermuda in the matter of the Scheme Companies and in the matter of the Companies Act, 1981 the said Courts have directed separate Meetings to be convened of:-

- (1) Centaur International Scheme Creditors;
- (2) Concord Scheme Creditors;
- (3) Marbarch Scheme Creditors; and
- (4) Shasta Scheme Creditors;

being creditors of Scheme Companies in respect of claims outstanding on 29th March 1985 or arising out of obligations assumed by Scheme Companies prior to 29th March 1985 other than Excluded Claims (as defined in the Scheme of Arrangement hereinafter mentioned) for the purpose of considering, and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Scheme Companies and their respective Scheme Creditors and that such Meetings will be held at Great Eastern Hotel at the corner of Bishopsgate and Liverpool Street, London EC2M 7QN, England on Wednesday the 4th December 1985 at the respective times below mentioned namely:-

- (1) The Meeting of Centaur International Scheme Creditors at 10.00 a.m.;
- (2) The Meeting of Concord Scheme Creditors at 10.15 a.m. or so soon thereafter as the preceding Meeting shall have been concluded or adjourned;
- (3) The Meeting of Marbarch Scheme Creditors at 10.30 a.m. or so soon thereafter as the preceding Meeting shall have been concluded or adjourned; and
- (4) The Meeting of Shasta Scheme Creditors at 10.45 a.m. or so soon thereafter as the preceding Meeting shall have been concluded or adjourned.

Any creditor of one or more of the Scheme Companies who is or believes that he may be entitled to attend any of the said Meetings can obtain copies of the said Scheme of Arrangement, Forms of Proxy, and copies of the Statement required to be furnished pursuant to Section 426 of the Companies Act, 1985 and Section 100 of the Companies Act, 1981:-

- (i) from Clifford-Turner, Blackfriars House, 19 New Bridge Street, London EC4V 6BY, England; or
- (ii) from Conyers, Dill & Pearman, Clarendon House, Church Street, Hamilton 5-31 Bermuda;

during usual business hours on any day (other than a Saturday or a Sunday) prior to the day appointed for the said Meetings.

The said Scheme Creditors may vote in person at such of the said Meetings as they are entitled to attend or they may appoint another person, whether a Scheme Creditor or not, as their proxy to attend and vote in their place.

It is requested that the form appointing proxies be lodged with Neville Russell at 246 Bishopsgate, London EC2M 4PB, England not less than 48 hours before the time appointed for the Meetings, but if forms are not so lodged, they may be handed to the Chairman at which they are to be used.

By the said Orders the Courts have appointed Maurice R. Lawrence or failing him, Brian A. Udell to act as Chairman at each of the said Meetings of Scheme Creditors and have directed the Chairman to report the results thereof to the respective Courts.

The said Scheme of Arrangement will be subject to the subsequent approval of each of the respective Courts.

DATED the 28th day of October 1985.

Linklaters & Paines
Barrington House
59-67 Gresham Street
London EC2V 7JA

Solicitors for Centaur International Insurance Company Limited

Titmuss, Sainer & Webb
2 Sergeants' Inn
London EC4Y 1LT

Solicitors for The Concord Reinsurance Company Limited and Marbarch Insurance Company Limited

D. J. Freeman & Co.
43 Fetter Lane
London EC4A 1NA

Solicitors for Shasta Reinsurance Company Limited



Edmond Halley didn't discover his comet.

IN BRIEF

'Defensins' May Help Fight Disease

LOS ANGELES (NYT) — Scientists have discovered natural substances in human white blood cells that attack a wide range of germs, according to reports in the Journal of Clinical Investigation. The substances attack staphylococci and E. coli bacteria as well as some disease-causing fungi and viruses. The scientists at University of California at Los Angeles have named the substances "defensins."

They said that further analysis may make it possible to design artificial defensins superior to those that exist naturally and that their discovery may improve understanding of the body's means of resisting infections.

The knowledge will eventually lead to improved treatment, they said. The substances were found in the most common type of defensive white blood cells, neutrophils. Such cells are attracted to sites of infection, where they destroy invading microbes. The defensins are thought to be important in the process of destruction. The scientists found six varieties in rabbits' cells, and later identified three others in human neutrophils.

Wind Shifts Simulated in Laboratory

CAMBRIDGE, England (NYT) — Researchers at Cambridge University in England have developed a laboratory simulation of the sudden wind shifts known as microbursts that often plague aircraft in landings and takeoffs.

A microburst, with gusts up to 80 miles an hour (130 kph), was implicated in the fatal crash of a jet airliner at the Dallas-Fort Worth airport in August. The winds are produced when cold air at high altitudes sinks to the ground, where it is deflected horizontally and results in dangerous flows of short-lived, high-speed winds. Better understanding of how such winds develop may help prevent future disasters.

Dr. P. E. Linden and Dr. J. E. Simpson of the department of applied mathematics and theoretical physics developed a model of this event, described in Nature magazine, by mixing waters of different densities. A dense fluid, saline water, was poured into a less dense liquid, producing a complex horizontal vortex at the leading edge of the saline outflow. The scientists observed an increase in circulation of the vortex as it moved away from the source. They say this strong circulation is likely to be one of the main hazards of microbursts.

Pollution Could Heat Climate by 2030

GENEVA (UPI) — Temperatures could rise as much as 4.5 degrees Centigrade (8 degrees Fahrenheit) as early as the 2030s because of atmospheric pollution, a United Nations scientific conference warned.

"Such an increase 'could have profound effects on global ecosystems, agriculture, water resources and sea ice,' a conference statement said. Unless atmospheric pollution is reduced, it said, the first half of the next century will see 'a rise of global mean temperature greater than any in man's history.' In the past 100 years, the global mean temperature increased an estimated 0.3 to 0.7 degrees Centigrade, the statement said.

The conference called for action by governments to reduce coal and oil carbon dioxide emissions as well as other pollutants known as greenhouse gases and aerosols.

Lasers Used in Tropics for Research on Climate, Pollution

By Eric Schmitt

New York Times Service

HAMPDEN, Virginia — Using

a new laser tool that is fired

toward earth from an airplane,

scientists here are measuring more

precisely the levels of gases and

particles above tropical oceans and

rain forests in an effort to understand

the complex exchange of chemical

elements between the earth and the

lowest layer of its atmosphere.

By scouring the troposphere, the

blanket of air most important to

living creatures, scientists from the

Langley Research Center of the

National Aeronautics and Space

Administration say they can

provide important information to

policy makers concerned about acid

rain, air pollution and global climate

conditions.

The researchers conduct their

experiments in the tropics, where

steamy jungles and balmy seas

discharge huge quantities of organic

compounds into the atmosphere.

"We want to know if there are

certain chemicals that originate in

the tropical rain forest environment

in sufficient quantities to influence

the chemistry of the global atmosphere,"

said Robert C. Harriss, senior project

director of NASA's Global Tropospheric

Experiment.

The laser provides information

on the exact altitudes and dimensions

of dust clouds from Africa,

giving scientists better access to

floating treasure troves of solid

particles and inert gases.

While there have been several

studies of the atmosphere in urban

areas, Mr. Harriss said the NASA

project is one of the first designed

to examine remote regions free

from man-made pollutants, where

scientists can observe the mechanisms

of atmospheric conditions and

establish a point of reference to

assess man's impact elsewhere.

In a recent interview, Mr. Har-

riss discussed the 10-year project,

which began in 1983, and cited

some preliminary observations

gleaned from an expedition in July

to the central Amazon River basin.

There, scientists from the United

States and Brazil took samples

from the lower part of the tropo-

sphere, the first 6 to 7 miles (9 to 11

kilometers) of atmosphere, to

measure the effects of deforestation

in the region.

The expedition, a joint venture

by NASA and the Brazilian space

agency, Instituto Nacional de

Pesquisas Espaciais, undertook the

first large-scale measurement of

gases produced by a forest, in an

effort to learn whether such gases

may be key elements in the earth's

overall atmospheric chemistry, and

if so, to determine their origin.

"By putting our data through

theoretical models," Mr. Harriss

said, "we'll be able to predict what

effects deforestation would have on

the climate and air quality were it

to continue at various levels."

From the Brazilian experiments

and others, more is being learned

about how natural sources of such

gases as carbon dioxide, carbon

monoxide and nitrous oxide interact

with man-made pollutants. The

project is also monitoring a possible

decline in the atmospheric con-

centration of hydroxyls, small scav-

enger molecules that cleanse

pollutants from the air, Mr. Harriss

said.

In daily flights over the Amazon

last summer, and in flights in 1984

over Guyana and the Atlantic

Ocean east of Barbados, scientists

used the new laser and other sens-

ing devices.

The laser is fired toward the

earth. When the laser beam hits

solid airborne particles such as dust

and pollen, it is reflected back to

the plane. Instruments on board

electronically measure the altitude

and physical characteristics of the

particles. The measurements are

translated into color pictures that

show the horizontal and vertical

distribution of the particles over

the test area.

If a large cloud of particles is

identified, the plane dips to that

altitude and flies through the

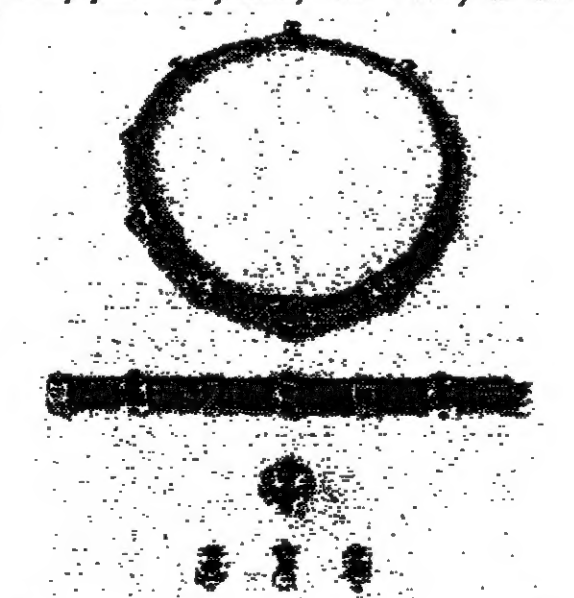
cloud, while another set of instru-

ments analyzes the particles more

closely and renders clues to the

cloud's origin.

Every piece of jewelry has a story to tell.



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NYSE Most Actives				
Vol.	High	Low	Last	Chg.
U.S. Steel	28 1/2	28 1/2	28 1/2	+1 1/2
IBM	100 1/2	100 1/2	100 1/2	+1 1/2
AT&T	48 1/2	48 1/2	48 1/2	+1 1/2
General Electric	34 1/2	34 1/2	34 1/2	+1 1/2
Boeing	44 1/2	44 1/2	44 1/2	+1 1/2
Johnson & Johnson	24 1/2	24 1/2	24 1/2	+1 1/2
Merck	24 1/2	24 1/2	24 1/2	+1 1/2
Amgen	24 1/2	24 1/2	24 1/2	+1 1/2
Amgen	24 1/2	24 1/2	24 1/2	+1 1/2

Dow Jones Averages				
Open	High	Low	Last	Chg.
1000	1000	1000	1000	+1 1/2
1000	1000	1000	1000	+1 1/2
1000	1000	1000	1000	+1 1/2
1000	1000	1000	1000	+1 1/2

NYSE Index				
High	Low	Close	Chg.	Vol.
1000	1000	1000	+1 1/2	1000
1000	1000	1000	+1 1/2	1000
1000	1000	1000	+1 1/2	1000
1000	1000	1000	+1 1/2	1000

Wednesday's NYSE Closing

Vol. of 4 P.M. 123,540,000
Prev. 4 P.M. vol. 119,640,000
Prev. consolidated close 122,742,000

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

AMEX Diaries				
Class	Prev.	Chg.	Vol.	Chg.
Advanced	100	+1 1/2	100	+1 1/2
Declined	100	-1 1/2	100	-1 1/2
Unchanged	100	0	100	0
Total Issues	100	+1 1/2	100	+1 1/2
New Issues	100	+1 1/2	100	+1 1/2
Volume down	100	+1 1/2	100	+1 1/2

NASDAQ Index				
Class	Prev.	Chg.	Vol.	Chg.
Composite	100	+1 1/2	100	+1 1/2
Industrials	100	+1 1/2	100	+1 1/2
Finance	100	+1 1/2	100	+1 1/2
Utilities	100	+1 1/2	100	+1 1/2
Transport	100	+1 1/2	100	+1 1/2

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Wang	100	100	100	+1 1/2
Wang	100	100	100	+1 1/2
Wang	100	100	100	+1 1/2
Wang	100	100	100	+1 1/2
Wang	100	100	100	+1 1/2

Dow Jones Bond Averages				
Class	Prev.	Chg.	Vol.	Chg.
Govt	100	+1 1/2	100	+1 1/2
Corp	100	+1 1/2	100	+1 1/2
Muni	100	+1 1/2	100	+1 1/2
Intl	100	+1 1/2	100	+1 1/2
Hybrid	100	+1 1/2	100	+1 1/2

NYSE Diaries				
Class	Prev.	Chg.	Vol.	Chg.
Advanced	100	+1 1/2	100	+1 1/2
Declined	100	-1 1/2	100	-1 1/2
Unchanged	100	0	100	0
Total Issues	100	+1 1/2	100	+1 1/2
New Issues	100	+1 1/2	100	+1 1/2
Volume down	100	+1 1/2	100	+1 1/2

Odd-Lot Trading in N.Y.				
Class	Prev.	Chg.	Vol.	Chg.
Govt	100	+1 1/2	100	+1 1/2
Corp	100	+1 1/2	100	+1 1/2
Muni	100	+1 1/2	100	+1 1/2
Intl	100	+1 1/2	100	+1 1/2
Hybrid	100	+1 1/2	100	+1 1/2

Standard & Poor's Index				
Class	Prev.	Chg.	Vol.	Chg.
Composite	100	+1 1/2	100	+1 1/2
Industrials	100	+1 1/2	100	+1 1/2
Finance	100	+1 1/2	100	+1 1/2
Utilities	100	+1 1/2	100	+1 1/2
Transport	100	+1 1/2	100	+1 1/2

AMEX Sales				
Class	Prev.	Chg.	Vol.	Chg.
Advanced	100	+1 1/2	100	+1 1/2
Declined	100	-1 1/2	100	-1 1/2
Unchanged	100	0	100	0
Total Issues	100	+1 1/2	100	+1 1/2
New Issues	100	+1 1/2	100	+1 1/2
Volume down	100	+1 1/2	100	+1 1/2

AMEX Stock Index				
Class	Prev.	Chg.	Vol.	Chg.
Composite	100	+1 1/2	100	+1 1/2
Industrials	100	+1 1/2	100	+1 1/2
Finance	100	+1 1/2	100	+1 1/2
Utilities	100	+1 1/2	100	+1 1/2
Transport	100	+1 1/2	100	+1 1/2

Dow Rallies to Record High

United Press International

NEW YORK — Shares on the New York Stock Exchange rallied Wednesday to a record high closing in active trading.

Analysts said the gains were spurred by expectations of lower interest rates.

The Dow Jones industrial average added 6.84 to 1,375.57, surpassing its previous record of 1,369.29, set Oct. 17.

Broader market indicators advanced. The New York Stock Exchange index rose 0.50 to 109.69. Standard & Poor's 500-stock index climbed 0.84 to 190.07. The price of an average share increased 15 cents.

Advancing stocks outpaced declining ones by a 5-3 ratio. Volume totaled 120.4 million shares, up from 110.6 million Tuesday.

When interest rates fall, it lowers business's cost of borrowing money.

"Investors are perceiving that a more accommodative interest rate environment is ahead," said Eugene Peroni Jr., chief technical analyst at Bateman Eichler Hill Richards.

Mr. Peroni said a leadership shift from "rumor stocks" to interest rate-sensitive utility and financial issues gave the market a stronger underpinning.

Money made in recent takeover situations is being recycled back into the market and will help propel the Dow into the 1,400 area, Mr. Peroni said.

But he said the key to the market's ability to move higher will be how much fresh cash equities can attract. The direction of interest rates will determine that, he said.

Remarks Monday by the Federal Reserve Board chairman, Paul A. Volcker, and those Wednesday by the Fed vice chairman, Preston

Martin, indicate that an environment of lower interest rates — including a possible discount-rate cut — will prevail, Mr. Peroni said.

Mr. Martin termed the U.S. economic expansion "sluggish" and said there was "some likelihood of a recession in 1986."

U.S. Steel was the most active NYSE-listed issue, losing 1/4 to 26 1/2. U.S. Steel and Texas Oil & Gas announced a definitive merger pact on Wednesday.

Texas Oil & Gas was second, falling 1 1/2 to 16 1/2.

Westinghouse Electric was third, adding 3/4 to 43 1/2.

Beatrice Cos. continued to lose ground, dropping 1 1/2 to 42 1/2. Kohlberg Kravis Roberts & Co. has made an unsolicited offer of \$47 a share for Beatrice.

Bethlehem Steel fell 1 1/2 to 13 1/2. It reported third-quarter losses of \$76.8 million and omitted its quarterly dividend. The company also said it expects a fourth-quarter loss.

Chesapeake-Pond's dropped 2 1/2 to 40 1/2. It told the Securities and Exchange Commission that it has not and is not holding discussions regarding a merger or takeover of the company. Unlever, which recently has been rumored to be interested in buying Chesapeake-Pond's, rose 2 1/2 to 119 1/2.

Some interest-rate-sensitive utility issues gained. Commonwealth Edison added 3/4 to 28 1/2. Ohio Edison rose 3/4 to 15 1/2. Consolidated Edison edged up 1/4 to 36 and Boston Edison added 1/4 to 39 1/2.

In the financial sector, American Express advanced 1 1/2 to 45 1/2. Phibro Salomon Bros. added 1 to 38 1/2 and Merrill Lynch rose 1 to 29 1/2.

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Open	Close	Chg.
100	100	AAR	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Open	Close	Chg.
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Open	Close	Chg.
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Open	Close	Chg.
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Open	Close	Chg.
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAJ	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAK	1.00	4.00	10.00	100	100	100	100	+1 1/2
100	100	AAI	1.00	4.00	10.00	100	100	100	100	+1 1/2

Chopard

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12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Open	Close	Chg.
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAK	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAI	1.00	4.00	10.00	129 1/2	129 1/2	129 1/2	129 1/2	+1 1/2
129 1/2	129 1/2	AAJ	1.00	4.00						

By EDWARD ROHRBACH

"You'll be seeing \$10 billion to \$20 billion trying to get through
(Continued on Page 13, Col. 4)

The Associated Press

share, down 33 percent from \$133 million, or \$1.15 a share, in the year-earlier period.

By Paul Lewis

U.S. Studies



Airbus Sales Practices

Review

LONDON — The International Tin Council ended a two-day emergency meeting in London without agreeing on a

Revised

The LME is seeking assurances from the council and its members that will ensure the survival of the exchange. Trading has also been suspended in Kuala Lumpur.

By Warren Geller

sources said. Airbus is a consortium of French, West German, British and Spanish aircraft companies, some of which are state-owned.

One high-placed U.S. trade offi-

The list, recently presented to the French government by U.S. offi-

An official close to Clayton K. (Continued on Page 11, Col. 1)

[illegible]

		D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	7 1/2-7 3/4	4 1/4-4 1/2	4-4 1/4	11 1/2-11 3/4	9 1/4-9 3/4		7 1/2
3 months	7 1/2-7 3/4	4 1/4-4 1/2	4-4 1/4	11 1/2-11 3/4	9 1/4-9 3/4		7 1/2
6 months	7 1/2-7 3/4	4 1/4-4 1/2	4 1/4-4 1/2	11 1/2-11 3/4	9 1/4-9 3/4		7 1/2
1 year	8 1/2-8 3/4	5 1/4-5 1/2	4 1/4-4 1/2	11 1/2-11 3/4	11-11 1/2		8 1/2

Sources: Morgan Guaranty (dollar); DAB SF, Paribas (FF); Lloyds Bank (ECU); Bankers

Key Money Rates Oct. 30

<u>United States</u>	Close	Prev.
Discount Rate	7 1/2	7 1/2
Federal Funds	8	7 11/16
Prime Rate	9 5/8	9 5/8
Libor 1-month Rate	8 1/4-9	8 1/4-9
3-month T-bill	2 7/8	2 7/8
3-month Treasury Bill	7 1/4	7 1/2
6-month Treasury Bill	7 25	7 32
CDs 20-99 days	7 40	7 40
CDs 100-360 days	7 40	7 40
<u>West Germany</u>		
Lombard Rate	5.50	5.50
Overnight Rate	N.A.	4.45
3-month Interbank		4.35
6-month Interbank		4.85
1-year Interbank		5.15

Asian Dollar Deposits

1 month	7% - 8%
2 months	7 1/2% - 8 1/2%
3 months	8 - 8 1/2%
6 months	8 1/2% - 9 1/2%
1 year	9 1/2% - 10%

Source: Reuters.

U.S. Money Market Funds

Oct. 30

Merrill Lynch Ready Assets	
30 day average yield:	7.38
Telerte Interest Rate Index:	7.77

Source: Merrill Lynch, Teletec

Gold

	A.J.L.	P.A.L.	Ch'ge
Hong Kong	327.26	326.90	+ 0.40
Luxembourg	327.18	—	+ 0.25
Paris (72.5 kile)	327.70	327.84	+ 0.21
Zurich	326.95	326.35	- 0.25
London	326.80	326.20	- 0.10
New York	—	323.80	- 1.20

The Associated Press

nations met in New York on Sept. 22 and agreed to cooperate to lead the dollar lower.

References

lag before a falling dollar and rising yen reduced Japanese exports.
The dollar closed at 211.75 yen

Information: Pierse

85: U.S. \$144.39.
 Amsterdam Stock Exchange
 J. H. Holding & Pierson N.V.,

CORU



REPUBLIC OF TUNISIA
MINISTRY FOR THE NATIONAL ECONOMY
GAFSA PHOSPHATES COMPANY

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N P 3764

The Gafsa Phosphates Company invites international tenders with a view to purchasing the following mining equipment for underground exploitation in the phosphate mines of the Gafsa Basin:

- 5 tyre wheeled loaders of 1 cubic yard
- 2 tyre wheeled loaders of 2 cubic yard


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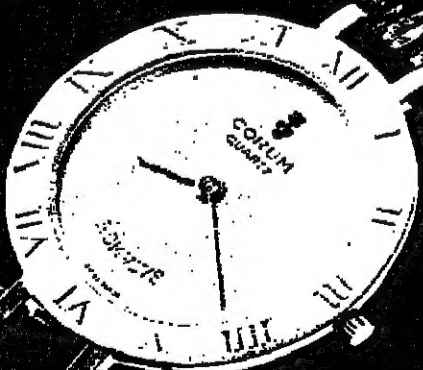
Tenders in the French language, in six copies, should be forwarded to Monsieur le Directeur des Achats de la Compagnie des Phosphates de Gafsa, 2130 Metlaoui (Tunisia), before the 14/11/85 at 10.00 a.m. The outer envelope must be marked as follows:

"Appel d'offres N P 3764
Engins miniers
Ne pas ouvrir avant le 14/11/85."


The envelopes will be opened in public on 14/11/85 at the Direction des Achats Department in Metlaoui at 10.00 a.m.

Any tender received by telex or after this date will not be considered.


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BUSINESS ROUNDUP

Thomson Pursues Unit Of United Technologies Bethlehem Posts Loss of \$76 Million

By Axel Kruse

International Herald Tribune

PARIS — Negotiations have reached an advanced stage between United Technologies Corp. and government-owned Thomson SA of France on Thomson's acquisition of Mostek Corp., United's ailing semiconductor subsidiary, executives of the companies said Wednesday.

"We are moving very fast," said Alain Gomez, chairman of Thomson. He said the expected final agreement could be reached within two to three weeks.

Asked why Thomson was interested in Mostek at a time when the U.S. semiconductor market was depressed and faced overcapacity, Mr. Gomez said he agreed with industry estimates that the market would recover at the end of 1986 and would generate what he termed "strong demand" throughout 1987. Thomson, France's largest elec-

tronic company, which this year expects to make about 80 percent of its semiconductor sales in Western Europe, had planned to acquire a manufacturing site and sales force in the United States in 1986-1987, Mr. Gomez said in an interview. Thomson's U.S. semiconductor sales currently total between \$30 million and \$35 million annually.

The announcement by United Technologies on Oct. 17 that it planned to terminate its Mostek operation, Mr. Gomez said, "gave us the opportunity" to open negotiations.

Neither UTC or Thomson executives would disclose financial details of the negotiations. They said the focal point of Thomson's interest was Mostek's manufacturing operations in the Dallas suburb of Carrollton, whose estimated net book value is about \$256 million, according to United Technologies spokesman.

Thomson's possible acquisition of Mostek's semiconductor assembly and test facility in Peang, Malaysia, also is part of the talks, executives said.

Mostek's test and assembly plant near Dublin, which was closed two weeks ago, is not part of the negotiations, Mr. Gomez said. The UTC spokesman added.

Thomson "would be buying a very scaled-down operation, which has come down from 9,000 to 900 people on the payroll," a United Technologies spokesman said in Hartford, Connecticut, UTC and Thomson executives said that if the purchase went through, James R. Fiebigler, Mostek's chief executive officer, would head the new company.

Thomson's net loss from its semiconductor business will drop slightly this year from last year's level to about 300 million francs (\$37.7 million), Mr. Gomez said.

Third-quarter sales totaled \$1.29 billion, down 6 percent from \$1.36 billion.

For the first nine months, Bethlehem Steel posted a net loss of \$118.5 million, compared with a loss of \$48 million a year earlier. Sales totaled \$3.83 billion, down 9 percent from \$4.20 billion.

The board declared the regular quarterly dividends on all its preferred stocks. It said it continued the common dividend of 10 cents a share because of the significant loss in the third quarter and its expectation of a loss for the fourth quarter.

The company said future common stock dividends will be determined on the basis of sustained results and the business outlook.

Bethlehem said it sees no significant improvement in prices or volume for its products in the fourth quarter.

Announcing the results, Bethlehem said "steel demand remains flat. The heavy influx of imported steel continues. Customers continue to reduce inventories, and competition is severe."

The company said improved results depend on a number of factors, including continued cost reductions and productivity gains, the effectiveness of recently announced steel-price increases and a reduction in steel imports.

Ericsson Computer Unit Can See Recovery on the Horizon

By Juris Kaza

International Herald Tribune

STOCKHOLM — Sig Larsson, managing director of Ericsson Information Systems, the office-automation subsidiary of the L.M. Ericsson group, declared that the company was well along the way to solving its major product and administrative problems.

Ericsson Information, with sales of 9.29 billion kronor (\$1.18 billion) in 1984, was the second largest unit of the Ericsson group after Public Telecommunications.

In an interview, Mr. Larsson forecast that Ericsson Information would break even in 1986 after narrowing its 1985 losses from the 1984 level of 217 million kronor. According to the managing director, the Ericsson subsidiary should return to profitability by 1987.

Despite such statements, the share price for Ericsson, Sweden's showcase telecommunications and electronics group, has been dipping to lows for the year on the Stockholm Stock Exchange. The low in recent weeks was 189 kronor per share, Ericsson shares closed at 205 kronor on Tuesday.

Analysts consider the depressed share price a symptom of investor worry about Ericsson Information Systems. "Swedish investors are certainly waiting to see how things develop with EIS," said an analyst at a large Swedish bank, who asked not to be identified.

Ericsson recently said it would terminate U.S. dealer sales of its personal computer, made by EIS, at the end of 1985. In its six-month interim report, it said Ericsson Information was a major factor in a 31-percent drop in group earnings, to 643.8 million kronor from 927.8 million for the period in 1984.

However, Mr. Larsson said sales of the Ericsson PC in Europe in September had been "the best for any one month in the past six months" and said that a major European marketing campaign for the PC would start shortly. Computer-laid retailers in Europe, he noted,

had recently agreed to market the computer.

Michael Willis Fleming, a senior partner and specialist in Scandinavian shares at London's E.B. Savory Milne, said a lot of selling of Ericsson had to do with investors realizing losses near year-end to offset capital gains, but that the company's recent performance could justify the sales.

Ericsson Information's managing director, Mr. Larsson, who took over a year ago, said that losses at the unit were the result of an interplay of prematurely launched, problem-ridden products and administrative routines that failed to detect and prevent these difficulties in time. All this, he pointed out, occurred against the background of a weak market for office-automation products worldwide, and especially in the United States.

For instance, the EIS head noted that the new MD-110 digital PBX had been installed at around 300 locations in Sweden and abroad with "some 300 software errors."

"We had the same type of problem with the Ericsson 2500 minicomputer and have solved it," Mr. Larsson said, adding that two major banking-automation projects in Sweden had also undergone revisions because the early phases had been rushed.

Deliveries of Ericsson Information's bank-automation systems to Scandinavia's Enskilda Banken, Sweden's largest commercial bank, and Spadab, data-processing center for Sweden's savings banks, are said to be delayed by almost a year.

In addition, analysts say that Ericsson suffered setbacks on the domestic banking-automation market when it failed last spring to get big contracts with PKBanken, the state-owned commercial bank, and the Swedish post office. All Swedish post offices offer some or all of PKBanken's banking services.

Regarding the MD-110, Mr. Larsson said, "We are updating the software at all the installations, and all new deliveries are being made



Sig Larsson

with updated programs. The Ericsson 2500 is also now a good, stable product."

He admitted that on the product side, Ericsson Information's "biggest problem was that we were in a rush to come out with products, and these weren't quite worked out when they were launched."

"I came in late last year and one of the first things I did was to put in people to go through the whole product range," he explained. "Our target was to finish by mid-1985 and we did it."

Mr. Fleming, the analyst in London, praised the design and technology of Ericsson's products. "The Ericsson PC is a marvelous product, vastly advanced on the IBM," he said, referring to International Business Machines Corp.'s PC model. But at the same time he was skeptical about whether EIS and Ericsson as a whole had sufficiently tightened up management controls to prevent future products from coming to market with embarrassing flaws.

"Our information reveals a bad history here," Mr. Fleming remarked of Ericsson. "And in some

rather recent examination, we didn't feel the business discipline was that tight compared with some other companies we know. In 1985, up against IBM, you can't afford to be lax."

The analyst at the Swedish bank said he regarded Ericsson Information Systems' development of the Ericsson 2500 minicomputer as one of the most serious potential problems.

"Minicomputers have high development costs, especially for software development, and the Ericsson mini has its own unique operating system, which means they have to write their own software," the analyst said. Operating systems are a set of built-in instructions that tell a computer's microprocessors how to handle all other instructions, such as word processing or administrative programs.

"I think they are missing the train here with minicomputers," the analyst cautioned, "and the question is, how long they will keep trying." The Ericsson group's patience could run out, he suggested, if profitability from Public Telecommunications declined for some reason. "They made 92 percent of Ericsson's profits on just over 30 percent of sales" in 1984, the analyst said.

Mr. Larsson said new products would be launched at slower rate in

1986. But he stressed that there would be new-product introductions in all EIS product areas during the year.

Sloppy product launches went undetected, Mr. Larsson said, because Ericsson Information Systems was, at the same time, trying to administratively assimilate recent acquisitions that were developers of some of the products. Formed in 1981 as a subsidiary division, EIS acquired Datasab, a maker of minicomputers and banking systems, in 1982. In 1983, it acquired Pacit, a maker of office machines.

Mr. Larsson declined to discuss specific new products, but hinted broadly that the MD-110 would be offered with enhanced data communications capability, making it a true data-voice-text exchange. Users of current model MD-110s need a modem to send data, but sources close to Ericsson Information said the new version would have software allowing the PBX to link directly with computers and transmit data at high speeds of up to 64,000 bit per second.

Other products to be introduced soon, it has been said, will be a new printer, though not a laser printer, and possibly some user-friendly, integrated software for the Ericsson PC. In the medium term, a laser printer under the Ericsson trademark was possible, a source said.

Du Pont Net Off 10.5% in Period

United Press International

WILMINGTON, Delaware — Du Pont Co. reported on Wednesday third-quarter net profit of \$282 million, down 10.5 percent from \$315 million profit in the quarter last year.

The company said earnings per share were \$1.17, compared with \$1.31 in the 1984 period. Third-quarter sales were \$3.65 billion, down from \$3.8 billion.

Third-quarter earnings were reduced by \$88 million after taxes by charges arising from the closure of an ethylene production unit in Alvin, Texas, and from Du Pont's withdrawal from an investment in Syngas Co.

Thomson's net loss from its semiconductor business will drop slightly this year from last year's level to about 300 million francs (\$37.7 million), Mr. Gomez said.

COMPANY NOTES

Dayton Hudson Corp. said it planned to spend \$4 billion expanding its retail operations from 1986 through 1990. The plan represents a 25-percent boost from the \$3.2-billion projected in the U.S. retailer's previous five-year plan for the period through 1989.

Grumman Corp. is considering the purchase of Fairchild Republic Co., the Long Island-based aircraft manufacturing subsidiary of Fairchild Industries Inc., a Grumman spokesman said.

Hitachi Semiconductor U.S. Inc., wholly owned subsidiary of Hitachi Ltd., has started building a plant in Irving, Texas, for processing silicon wafers for very large scale integrated circuits, a spokesman said.

Honda Motor Co. has started a feasibility study for a second passenger car plant in the United States that would begin production of Quint Integra 1.6-liter models in 1989, Jiji Press reported.

Imperial Chemical Industries PLC said it had agreed to acquire full ownership of Garst Seed Co., a corn-seed producer based in Iowa, where it bought a minority stake early this year.

Kaestle AG said sales, excluding its travel business, fell to 6.1 billion Deutsche marks (\$2.4 billion) in the first nine months of 1985, a 2.5-percent drop from the 1984 period.

Leighton Holdings Ltd.'s current year profit will be lower than in the 1984-85 fiscal year ended June 30, particularly in the first half, according to William Pettingill, the chairman. Leighton posted a drop

in 1984-85 net to 13 million Australian dollars (\$9.08 million) from 21.1 million in 1983-84.

Linde AG of West Germany said it and Voest Alpine AG of Austria won a contract worth 250 million Deutsche marks (\$95.8 million) with East Germany's Industriematerialien-Import to refurbish a petrochemical complex at Böhlen.

Smith expects its net profit per share to rise by 15 percent from 1984 levels of 38.53 French francs (\$4.84), according to Jean-Pierre Léon, the finance director.

Statol A/S, Norway's government-owned oil company, and Veba AG of West Germany are discussing the construction of a plant to produce methyl tertiary-butyl ether, an additive for lead-free gasoline, Statol said.

Statol said it expects its net profit per share to rise by 15 percent from 1984 levels of 38.53 French francs (\$4.84), according to Jean-Pierre Léon, the finance director.

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In order to insure a steady supply of grain available to

Egypt in spite of any shortages in external supply and to

take advantage of favourable international market

prices from time to time, the Government of Egypt

desires to provide for a strategic reserve of about 20%

(twenty percent) of annual Egyptian grain import

requirements. The storage, equivalent to a two to three

month supply of grain, will require a silo capacity of

500,000 to 1,000,000 Tons, based on the importation

in 1982-1983 of 4,250,000 Tons.

Accordingly, the Government of Egypt proposes to

enter into a concession arrangement with an interna-

tionally experienced grain trader and developer or

foreign investor to carry out studies, finance, design,

build, operate and engage in grain trade based in the

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The Terms of Reference (TOR) providing complete

details on proposal requirements may be purchased for

L.E. 135 or U.S. \$ 100 from the Research & Studies

Organization of the Ministry of Development, 2nd

Floor, 1 Ismail Abaza Street, Garden City, Cairo, where

proposals should be submitted.

Technical and sealed financial proposals based on the

TOR ONLY will be received until Thursday 30 January

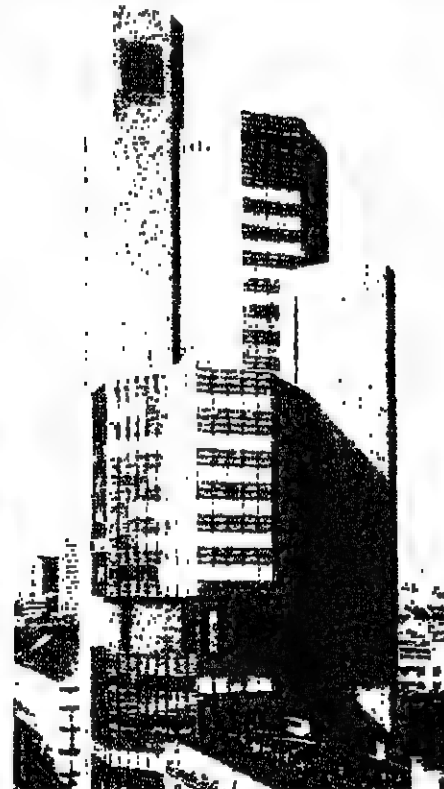
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CURRENCY MARKETS

Dollar Gains in U.S. After Falling in Europe

Compiled by Our Staff From Dispatches
NEW YORK — The dollar gained Wednesday in New York after falling against most major currencies in Europe.

The rise in the United States followed a statement by the Federal Reserve denying rumors that major industrialized countries were coordinating interest-rate policies.

The dollar began to move up after the Fed's vice chairman, Preston Martin, said the Fed will not try to target the dollar, according to Daniel Holland, vice president at Discount Corp. of New York.

"The Fed's denial of reports that the U.S. had agreed not to lower the discount rate also generated some buying," he added.

The dollar had fallen sharply earlier this week and in foreign trading Wednesday when Japan and European countries pushed interest rates higher, leading to speculation the United States had agreed with the other Group of

Five industrialized countries not to raise U.S. rates.
Mr. Martin, speaking in Fairfield, Connecticut, said trying to peg the dollar's foreign exchange rate would lead to higher U.S. inflation. He also said the Fed is "not going to try to walk the dollar down," but he declined to comment on what his plans are.

Mr. Holland said speculators who had taken short, or sell, positions in the dollar on futures markets were forced to buy to cover on the sudden rise and that fueled the advance further.

Trading was "very choppy," and nervous, he said.
The British pound, ended at \$1.434 in New York, down from \$1.444 on Tuesday. The U.S. unit ended in New York at 2.632 Deutsche marks, up from 2.610 DM.

Other New York rates were: 8.0175 French francs, up from 7.9625 francs; and 2.155 Swiss francs, up from 2.139 francs. The British pound rose in Lon-

don to \$1.4415 from Tuesday's \$1.436.
In Frankfurt, the U.S. currency was fixed in the afternoon at 2.6166 DM, down from Tuesday's 2.6325 DM.

There were no reports of sales of dollars by central banks, although the possibility of intervention continued to hang over the market.

Currency dealers said the market largely ignored a U.S. government report Wednesday that single-family home sales fell 2.6 percent in September. Attention was focused on balance-of-trade and foreign-order statistics due out Thursday.

Dealers said volume was particularly high but business was fairly active, particularly on pound-dollar trading early Wednesday.
In Zurich, the dollar ended Wednesday at 2.1433 Swiss francs, down from 2.1523 on Tuesday.

In Paris, the U.S. currency was fixed at 7.974 French francs, down from 8.0235 on Tuesday.
(UPI, AP, Reuters)

Manager Pins Hope On Agility

(Continued from Page 9)

a small hole," he said. "The trip wire is getting tighter day by day. There will be volatility in major indexes never seen before."

Mr. LeFrere said he thinks that wild swings in the Dow average of 50 to 100 points a session will not be uncommon.

With so many billions of investment dollars poised to "flip" between stock and bonds, he said stocks could "explode" up 700 points if general interest rates broke down two percentage points from their current level.

But if rates go up a percentage point or more, he said that the stock market could collapse 20 to 30 percent.

A larger percentage of trades will involve fewer companies, he predicts, "with a lot of forgotten companies created" notably in the over-the-counter market.

Mr. LeFrere's fund has been particularly successful buying "second-tier" airline stocks. Eastern Airlines has been a big winner for him in 1985.

"With enormous consolidation" ahead for the industry, he thinks that Eastern, along with Western Airlines, will be bought and eventually only three or four major carriers will be left in the country. "After United and American you have to start guessing about who will be the survivors," he said. "Even Delta and Northwest might be taken over."

Wholesale Price Index Falls 0.2% in Japan

(Continued from Page 9)

TOKYO — Japan's wholesale price index fell 0.2 percent to 97.7 in the second 10 days of October from the preceding 10 days, compared with an unchanged index in the like September period, the Bank of Japan said Wednesday.

The interim October index was down 3.2 percent from a year earlier, compared with a 1.8-percent year-to-year fall in the like period in September.

France Seeks to Export Fast Trains

(Continued from Page 9)

and Las Vegas for which studies are now under way.

To achieve high speeds, France opted for a train built as a single unit that runs at conventional speeds over existing track within a city but switches to special high-speed track in the countryside. The high-speed track has gentler curves than conventional lines but steeper gradients, which save on expensive tunneling and earth cuts.

Several high-speed trains have been built or are in the planning stages in other countries, some employing radically different approaches.

Japan's Shinkansen "bullet trains" are basically similar to the TGV, though they are somewhat slower, traveling at a top speed of 143 miles an hour.

Messerschmitt's train also needs special track to achieve its top speeds, but it is designed to be more flexible than the TGV because its engine and coaches can be decoupled and the size of the train varied.

West Germany and Japan are also working independently on a magnetic "hovertrain" that would glide along a monorail track supported by magnetic forces at speeds of up to 310 miles an hour. But the

French, who abandoned this idea a decade ago, say the track would cost at least twice as much as a new TGV line, which can be built for about \$4 million a mile.

A Canadian company, Bombardier Inc., has manufactured a high-speed train now operating between Montreal and Ottawa. Although designed to run at 125 miles an hour, the train has been plagued by troubles and is limited to a speed of about 80 miles an hour.

Britain is striving to build a "tilting" train that can sustain speeds of 125 miles an hour on existing track. British Rail, the nationalized railway, is working on a version of the train in which the passenger coaches would "lean" inward on fast curves to keep passengers from being thrown out of their seats.

Italy is building a high-speed line between Rome and Florence, called the Direttissima. Austria is considering a high-speed line between Vienna and Salzburg, while Spain is planning one from Madrid to Barcelona.

Compared with Europe, the United States is "simply not in the picture at all" when it comes to high-speed rail technology, SNCF's deputy director general, Raymond Monnet, said.

But while that makes the United States appear to be a tempting export market, European manufacturers of high-speed trains recognize that they must overcome America's preference for automobile travel.

"We are still having a love affair with the automobile in this country, so all our calculations are very conservative," said John K. Luzzi, director of rail marketing at the New York State Department of Transportation in Albany, referring to studies about the proposed high-speed line between New York and Montreal.

Such a service, with stops in Albany and Burlington, Vermont, would complete the 370-mile trip in about three hours, hitting speeds of up to 160 miles an hour. Current service on Amtrak trains takes eight hours.

French engineers say that 20 to 25 TGV trains would be needed for the service, costing a total of about \$200 million. Laying special high-speed track or improving existing track would add \$1.5 billion to \$2.1 billion to the bill.

At least one train manufacturer

New Home Sales Decline in U.S.

(Continued from Page 9)

WASHINGTON — Sales of new houses in the United States fell 2.6 percent in September and the average price of a new house reached \$103,600, the government said Wednesday.

Home sales in the first nine months of 1985 were 6 percent ahead of 1984, according to a joint report from the departments of Commerce and Housing and Urban Development.

The average price of a new house in September rose \$5,000 above August, it said. During September 1984, the average cost of a new home was \$101,300.

In the United States, Budd Co. of Troy, Michigan, has shown interest in the project, according to New York officials.

The TGV line lost money in its first three years of limited operation, from 1981 through 1983, but last year receipts covered costs and amortization, leaving the service with a profit of about \$50 million. The SNCF expects to have paid off all TGV-related debt by 1994 at the latest.

Last year, the French government decided to build a "TGV Atlantique" line linking Paris with Bordeaux, Nantes and Brest on the western coast. New, more luxurious trains will reach speeds of up to 185 miles an hour.

"Now that we've mastered the technology of sustained fast high speed, we're going to put the emphasis on comfort and prestige," says François Lacoste, the SNCF's chief TGV engineer.

But France's ambitions for the TGV do not stop there. Later this year, French, Belgian and West German transport ministers will decide whether to build an international TGV link that would cut the train time between Paris and Brussels from two hours 30 minutes to one hour 30 and take a further hour to reach Cologne, with a possible branch to Amsterdam.

And if Britain and France can ever agree to build a tunnel under the Channel, the SNCF would want to run a TGV line through it, making the trip between Paris and London in three hours and 15 minutes.

THE EUROMARKETS

Dollar Straight, Floating-Rate Sectors Rise

By Christopher Pizzey

Reuters

LONDON — The dollar-straight and floating-rate note sectors of the Eurobond market rose sharply in active trading Wednesday and the firm undertone prompted a rush of new borrowers in both sectors, dealers said.

Prices of seasoned dollar straight notes rose from 1/4 to a full point as U.S. credit markets extended Tuesday's gains following the successful outcome of the first of the Treasury's "mini-refunding" auctions. That auction's prompted loads of activity here, one trader said. Floating-rate note issues were generally five to 10 basis points higher.

Two British banks launched perennial floating-rate notes that will rank as primary capital under Bank of England guidelines, and both issues were well received by investors because of their generous margins, dealers said.

Lloyds Bank PLC issued a \$500-million perpetual note paying 3/16

point over the three-month London interbank offered rate.
The issue was lead-managed by Lloyd's Merchant Bank Ltd., traded around its issue price throughout the day and ended at 99.99. The fees total 25 basis points. Market sources said the issue will not be increased.

Royal Bank of Scotland PLC issued a \$300-million floating rate note that was rapidly increased to \$350 million. It pays 1/4 point over the mean of the six-month London interbank bid and offered rates, Linnam.

After the increase it was still trading within the 10-basis-point selling concession, and well within the total fees of 25 basis points, at 99.92 bid. It was lead-managed by Merrill Lynch Capital Markets.

Dealers noted perpetual issues have been in demand on the secondary market recently, essentially because of their generous margins.

The Bank of Tokyo-Mitsubishi Finance NV issued a \$300-million, 12-year, floating rate note paying 20 basis points over three-month Libor and priced

at 100.10. It has a maximum coupon of 13 percent and was quoted at 99.60 bid against total fees of 62 1/2 basis points. Lead manager was Bank of Tokyo International.

In the dollar-straight sector, the largest issue of the day was a \$500-million bond for Canada that dealers said was proving attractive to retail investors. The 10-year issue pays 10 percent and was priced at 99 1/4. One syndicate manager said, "we've been placing large chunks of it... quite easily. It's tightly priced, but the quality of the borrower's name is exceptional."

The issue was lead-managed by Deutsche Bank Capital Markets and it finished on the when-issued market at a discount of about 1 1/16 compared with the total fees of 2 percent.

Norway's Saga Petroleum A/S issued a \$100-million bond paying 11 1/4 percent over 10 years and priced at par. It was quoted at 1 1/2 percent against the 2-percent total fees. Lead manager was Credit Suisse First Boston Ltd.

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Wednesday's OTC Prices

NASDAQ prices as of 3:00 p.m. New York time

Via The Associated Press

12 Month High Low Stock Div. Yld. 12 Month High Low 3 P.M. Chg.

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SPORTS

At Halftime, NFL Finds Parity — With One Perfect Exception

By Bob Oates

LOS ANGELES — It was the third week of the National Football League season, and the Chicago Bears were losing to the Minnesota Vikings, 17-9, late in the third quarter.

Quarterback Jim McMahon hadn't been seen. He had sat out the offensive practice during the week, pleading illness, and Chicago Coach Mike Ditka was using him to make a point to the team: no practice, no play.

With little more than a quarter left, Ditka pulled out his ace: the practice-is-beautiful lesson would have to be taught another way, another day — and sent his trusty into the game.

McMahon's first play was a long pass for a touchdown. His second play was a long pass for a touchdown.

When he threw for a third TD, the Bears had converted probable defeat into a 33-24 victory.

That performance was the most spectacular so far in the NFL's regular season, which is eight weeks old and has eight weeks left. Since McMahon's big night, things haven't been the same.

Chicago, winner of eight in a row under Ditka, has jumped past San Francisco, Miami, Dallas and the Los Angeles Raiders to become pro football's top team.

For the first time since the days of George Halas, the Bears are again the intimidating Monsters of the Midway.

McMahon is the NFL's new star. During two months of winning, the free-spirited passer has caught up with such notables as Dan Marino, Joe Montana, Walter Payton, Eric Dickerson and Marcus Allen.

McMahon has clearly been the most valuable player of the first half of the season.

Most other teams are laboring. A half-dozen hopefuls for Super Bowl XX — San Francisco, Washington, Seattle, St. Louis, Cincinnati, Pittsburgh — are at .500 or below.

Ditka calls Chicago "a complete team." The Los Angeles Rams are 7-1, mainly thanks to the leadership of Coach John Robinson and a big-play defense, but they're not yet a complete team.

The NFL's dominant characteristic has been a balance of strength. To date this season, 19 of the 28 clubs have parity-range records of 5-3, 4-4 or 3-5.

There are only three cellar franchises — Atlanta, Buffalo and Tampa Bay — and only six teams with records of 6-2 or better, among them the New York Jets, the surprise team of the American Conference East.

In the 1980s, no club has been able to win two straight Super Bowls. The champion San Francisco 49ers, 18-1 last season, are currently 4-4.

The players are about even everywhere, said Ditka. "It's the opportunities — the breaks — that keep changing. A lot of the time, that's what makes the difference. Is there anything else?"

An executive of one 500 team gives a terse summation of the NFL today: "The players are equal. The coaches aren't."

He contends that the playing talent has been so evenly divided that most clubs have playoff potential. They all spend \$500,000 or more in each annual draft; they all build with the best material in college football.

The difference each week, he says, comes from coaches who can get that talent to play with the most intensity and concentration.

At halftime 1985, only three teams — Dallas, Denver and the Raiders — are winning the way they were expected to. All are 6-2.

The only race with three winners is in the AFC East, where the Jets, with a great runner in Freeman McNeil and a promising quarterback in Ken O'Brien, lead Miami and New England, both 5-3.

A lineup of the players who have dominated so far this season:

Wide receivers: Dennis McKinon, Bears; Louis Lipps, Pittsburgh; Steve Largent, Seattle; and Henry Ellard, Rams.

Tight ends: Todd Christensen, Raiders.

Offensive line: Jim Cover, Bears; Mike Kenn, Atlanta; Dwight Stephenson, Miami; Chris Hinton, Indianapolis; Anthony Munoz, Cincinnati.

Quarterback: McMahon and O'Brien.

Running backs: McNeil; James Wilder, Tampa Bay; Tony Dorsett, Dallas; and Marcus Allen, Raiders.

Defensive line: Howie Long, Raiders; Bill Maas, Kansas City; Leonard Marshall, the New York Giants; and Mark Gastineau, Jets.

Linebackers: Mike Singletary, Bears; Andre Tippett, New England; Mark Brown, Miami; Jim Collins, Rams; Chip Banks and Clay Matthews, Cleveland.

Defensive backs: Gary Green, Rams; Ray Clayson, New England; Kenny Easley, Seattle; and Wes Hopkins, Philadelphia.

Most NFL observers are calling Eddie Brown, Cincinnati's wide receiver, the rookie of the half-year. At the University of Miami, Brown was perhaps the most talented athlete on a national championship team. He has made a fast transition to the pros. Apart from Brown (and the Bears' touchdown-scoring line man, William Perry), the rookie class of 1985 has been mostly disappointing.

Dieter Brock of the Rams, a CFL refugee who at 34 is the oldest kid in the league, will be the all-rookie quarterback. He's doing better than some. Buffalo has benched the NFL's No. 1 draft choice, defensive end Bruce Smith. The top-drafted back, Ethan Horton, hasn't done much for Kansas City, nor has his linemen counterpart, Atlanta's Bill Falarik.

One major rule change made NFL football a considerably better game. "There's a lot less pass interference," said Norm Schachter, a supervisor of officials. "The public likes that. They liked to see the offensive team pick up a cheap 40 or 50 yards when the defensive back barely came within the receiver."

"The receiver and the defensive back both have the same right to a ball in the air this year — provided the defensive back turns his head

toward the ball before the pass gets there. Of course, it's still a penalty if he uses a hand to grab the receiver at the same time." It's also a penalty if he runs through the receiver to try for a deflection or interception.

The coaches of the half-year are Ditka and Robinson. Many felt Robinson couldn't do it with his current offense; many thought Ditka could never do it, period.

At Denver, Dan Reeves continues to feel his critics. At Miami, Don Shula is still doing it with mirrors and Marino.

The dark horses for coach of the year are in New Jersey — Joe Walcott of the Jets and Bill Parcells of the Giants.

The candidates for most valuable player are quarterbacks — with McMahon far ahead of Marino and Denver's John Elway, who, surprisingly, is beginning to come across more as a winner than just a passer.

McMahon remains the top-rated passer in the National Conference, but he has also been impressive otherwise.

McMahon is, above all, a leader and a fine athlete. On the windy, frozen shores of Lake Michigan — where passing specialists often have trouble — that may make a difference for the Bears for the next 10 years.



Ballcarrier Freeman McNeil ... A mainstay for the Jets.

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RIGHT UP THERE — Manute Bol, Washington's 7-foot-6 (2.29-meter) rookie, outleaped Cleveland center Mel Turpin to pull down this second-half rebound and help spark the Bullets' 97-90 NBA victory Tuesday night.

SPORTS BRIEFS

20-Kilometer Cycling Mark Reported

MOSCOW (AP) — Cyclist Andrei Stepanov set a world record at the national cycling championships late Tuesday by covering 20 kilometers in 24 minutes, 41.197 seconds. Tass reported.

Stepanov's time bettered the mark of 24:52.83 set in April, 1983, by Soviet compatriot Mikhail Sveshnikov.

PGA Sets Up a \$2 Million Bonus Pool

NEW YORK (AP) — An annual \$2 million bonus pool for PGA tour golfers highlights a package announced late Tuesday.

The Vantage Cup will offer a pool of \$2 million for the top 25 finishers in a bonus-points competition at 40 selected tour events; prizes will range from \$500,000 for the overall winner to \$10,000 for the 25th man.

The PGA also announced a computer program, the Nabisco Challenge, in which the tour and the company will donate \$1 million each to local charities that benefit from the 40 selected tournaments. Those Vantage Cup events will select five-man teams to represent them on the tour. Challenge awards to tournament charities will be based on the bonus points accumulated by each of the teams.

Pitcher Andujar Suspended 10 Days

NEW YORK (AP) — St. Louis Cardinal pitcher Joaquin Andujar will miss the first 10 days of the 1986 season under a suspension imposed late Tuesday by Commissioner Peter Ueberroth for the right-hander's outburst against American League umpire Don Denkinger in Sunday's seventh game of the World Series.

"Such actions are damaging to the game and cannot be tolerated," said Ueberroth in announcing that he was fining Andujar \$500, the maximum amount he can impose. Andujar will not be paid while under suspension.

Andujar was ejected in the fifth inning of Sunday's game in Kansas City, won by the Royals 11-0, after he charged Denkinger to argue over the umpire's ball and strike calls.

Injured Soviet Gymnast Out for a Year

MONTREAL (UPI) — Dmitri Bilozhechev, the Soviet Union's top male gymnast, will be out of competitive action for close to a year after breaking his left leg, a Soviet official said Tuesday. Bilozhechev, 18, was injured in an automobile accident near Moscow on Oct. 13.

Bilozhechev, who won the all-around world title two years ago and is the 1985 European champion, had been the Russians' main hope for the world championships, which begin in Montreal on Monday.

Goulet, Nordiques Defeat Canadiens

Compiled by Our Staff From Dispatches

QUEBEC — It's bad enough from the Montreal Canadiens point of view to lose to provincial rival Quebec. What's worse is knowing

that the Nordiques are in first place in the National Hockey League's Adams Division while the proud Canadiens are last.

During the regular season last year, the Canadiens lost only one game to the Nordiques, winning six and tying one. The teams have met twice so far this year, and the Nordiques have won both games.

Michel Goulet, who missed most of the preseason and the first five games of the current campaign because of a contract squabble, led the way here Tuesday night, netting his fifth and sixth goals of the year as Quebec subdued Montreal, 6-4.

It seemed as if Goulet, who was playing in only his fifth game, had never been away. "I'm happy with my play," he said. "I think I'm starting to skate better. On my goals I had good opportunities and I made the right shots."

"My job is to score goals, and it's my way of helping the team," said Goulet, who has scored at least 30 goals for the past three seasons. "It's fun to be back. And scoring fifty goals is certainly an objective again."

Goulet's first tally came in the midst of the Nordiques' four-goal outburst in the second period. He picked up a loose puck in front of the Montreal net, and with goaltender Steve Penney off balance, backhanded a shot off the far goalpost.

Other winners Tuesday night

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SCOREBOARD

Football

Midseason National Football League Leaders

Team	Offense	Defense	Points
Atlanta	361	84	2182
San Diego	297	67	2284
Denver	281	56	1779
Cincinnati	279	93	1829
Jets	272	128	1474
Cleveland	269	122	1462
Seattle	264	80	1764
Raiders	248	94	1692
New England	234	97	1662
San Francisco	232	101	1647
Indianapolis	230	121	1289
Kansas City	227	87	1692
San Francisco	224	75	1518
Houston	207	81	1528

Basketball

NBA Standings

Team	W	L	Pct.
Washington	2	0	1.000
Portland	1	1	.500
San Antonio	1	1	.500
New York	1	1	.500
Phoenix	0	2	.000
Golden State	0	2	.000

World Cup Soccer

European Qualifying

Team	W	L	Pct.
Poland	2	0	1.000
Poland	2	0	1.000
Poland	2	0	1.000
Poland	2	0	1.000
Poland	2	0	1.000
Poland	2	0	1.000

Hockey

NHL Standings

Team	W	L	Pct.
Philadelphia	5	0	1.000
Philadelphia	5	0	1.000
Philadelphia	5	0	1.000
Philadelphia	5	0	1.000
Philadelphia	5	0	1.000
Philadelphia	5	0	1.000

Transition

Basketball

National Basketball Association

ATLANTA — Signed free agent Eddie Johnson, who was an all-star at the American Basketball Association, to a multi-year contract.

PHOENIX — Reached a contract agreement with Larry Nance, forward, placed Bernard Thomas on injured reserve.

ST. LOUIS — Signed free agent Ed O'Donoghue, forward, to a multi-year contract.

TAMPA BAY — Signed forward Wayne, offensive tackle, to a multi-year contract.

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Vijay Amritraj: India's Once and Future Tennis Hope

By Bob Greene

NEW YORK — When told that Arthur Ashe had been named captain of the United States Davis Cup team, Indian tennis star Vijay Amritraj just shook his head.

"I can't understand it," said Amritraj, referring to the U.S. Davis Cup squad, not to Ashe's resignation. "How can you not have your best players playing for your country?"

With John McEnroe and Jimmy Connors — America's top players — not on the team, the United States was eliminated by West Germany in this year's Davis Cup quarterfinals.

"It's such an honor to play for your country," said Amritraj, a captain of India's Davis Cup team and a player in the international team championships for the past 16 years.

Unlike the United States, India always fields its best players for Davis Cup. The problem, Amritraj admits, is that India doesn't have that many world-class players — and those it does have are getting older.

This year, India's Davis Cup squad was made up of Amritraj, who will turn 32 in December; his brother Anand, 33; Shashi Menon, 33; and Ramesh Krishnan, the youngest at 24 and ranked 31st in the world.

With Vijay and Anand Amritraj on the team, India did reach the cup final in 1974, defeating the Soviet Union and Australia. But India boycotted the final against South Africa because of the South African government's apartheid racial policy.

In 1986, India again will be in the 16-nation world group, which comprises the only countries actually competing for the cup.

"Whenever I play well, I figure the future of India's Davis Cup team is in good shape," Amritraj said. "Then, when I lose a match I should have won, or when I play poorly, I worry about the future of the team."

It was that worry that led Amritraj and his brothers, Anand and Ashok, to form a tennis training academy in Madras, India.

"I started to think about replacing myself on the team," said Amritraj, who once was ranked in the top 20 worldwide. "There are no public tennis courts in India — nothing available for the average person to go to play."

"You have to be a member of a club or a school. That's why it's very difficult for us

